

# EICC Validated Audit Process (VAP) VAP Operations Manual

Revision 5.1 – January 2016

Information and communication technology companies working through the Electronics Industry Citizenship Coalition (EICC) [www.eiccoalition.org](http://www.eiccoalition.org) are working to improve sustainability and social responsibility within the global supply chain.

These companies recognize a mutual responsibility to ensure working conditions in the Information and Communication Technology (ICT) industry are safe, workers are treated with respect and dignity, and that manufacturing practices are environmentally responsible. The Validated Audit Process (VAP) is a collaborative approach to auditing to reduce the burden on supply chain companies from multiple requests for social audits. The VAP meets the need for a high quality, consistent and cost-effective standard industry assessment for labor, ethics, health, safety and environmental practices based on the EICC code of conduct, laws, and regulations.

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## 16. EICC Code Interpretation Guidance

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This section details the Provisions of the EICC code (v5.1 - 2016). The provisions define the EICC requirements to which the auditee needs to conform. The following sections outline requirements for site observation, document review, management knowledge and understanding and worker awareness and understanding for each of the EICC code provisions.

**Note: All communications from auditee to workers must be done in a language that is easily understood by the workers. If this is not the case, then the relevant aspect is a Major nonconformance.**

All conformance statements apply to all workers, including temporary, migrant, student and contract, directly and indirectly employed workers that work in the factory/on production/in warehouse and any other type of worker/employee unless the conformance statement specifically states a narrower focus group.

**Note : If an auditee facility or corporate policy or the Collective Bargaining Agreement are in place, and are stricter than either the EICC Code of Conduct and/or the legal/customer requirements, then if a practice is observed which does not meet the auditee's own policy or Collective Bargaining Agreement, the conclusion is nonconformance (even if it meets EICC and/or legal requirements).**

## **A. LABOR**

### **A1) Freely Chosen Employment**

Forced, bonded (including debt bondage) or indentured labor; involuntary prison labor; slavery or trafficking of persons shall not to be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. All work must be voluntary and workers shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to employees' identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

NOTE: for the purposes of this provision (A1), requirements for directly and indirectly employed workers are the same.

#### **A1.1 Any type of forced, involuntary prison, indentured, bonded (including debt bondage), trafficked or slave labor is not used**

##### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - All fees and penalties are disclosed to the workers. Documentation on fee disclosure and actual fees for the workers at the Auditee is complete, available and compliant with the provisions of the EICC code and the EICC Trafficked and Forced Labor – “Definition of Fees” August, 2015. Excessive or Prohibited fees, as described in the EICC Trafficked and Forced Labor – “Definition of Fees” August, 2015, are not allowed under any circumstances.  
Contracts with workers are free of clauses or language which entails components of or could lead to forced, involuntary prison, indentured, bonded, trafficked or slave labor. Hiring practices, and those of any labor agencies/recruiters, must prohibit forced or bonded labor.
  - Payroll, wage and other records reviewed show no prohibited fees, Excessive Fees, significant debt, and/or significant loans except those acceptable fees listed in the EICC Trafficked and Forced Labor – “Definition of Fees” August, 2015. Records reviewed must show conformance with law, policies, and procedures.
  - Specific requirements:



- Deposits or bonds (including those required by law or not required by law).

Other fees/deposits/debts: If any costs and fees to workers are deducted, these must conform to EICC Trafficked and Forced Labor – “Definition of Fees” August, 2015: :

Personal assistance related payments/fees:

- Personal loans with a repayment maximum of 10 percent of the worker’s monthly gross base wage, including interest, for no more than 6 monthly installments.
- Education loan repayments should not exceed 10% of one year of gross base wages. Any education loan cannot be longer than 1 year per loan.
- Termination and Early Leave:
  - If the worker has provided appropriate notice and fulfilled the full resignation notice period per the employment contract, then there shall be no additional fees charged to the worker.
  - If the worker has not provided notice or fulfilled the full resignation period per the employment contract:
    - All penalties or fees assessed to the worker collectively in total shall be capped at 60% of 1 month of the worker’s gross base wages. This amount does not include any penalties required to be paid by the worker under applicable laws or acceptable fees listed below.
    - The worker shall not be required to pay any penalties or fees if the worker had to resign without fulfilling the full notice period due to documented harassment, abuse or threat to safety.
    - Resignation is voluntary within legally defined timeframe.
- Examples of acceptable fees include, but are not limited to:
  - Costs to prepare for employment interviews such as CV copies, photos, copies of existing documents and certificates, and incidentals.
  - Costs to meet minimum qualifications for the job such as any degrees, licenses, or certifications fundamental to performing duties in the job description.
  - Costs related to passport replacement due to loss by the employee. For replacing visas or permits this also includes photo(s), providing or photocopying any documents, etc.
  - Reasonable costs for employer or agent provided accommodation and meals. All such costs shall be charged at fair market value and meet EICC health & safety standards.
  - Costs associated with travel prior to leaving the sending country prior to an employment offer being made and accepted.
- The foreign employees levy in Malaysia may be applied to the worker.
  - Such levies, if applied, shall be deducted in a pro-rata manner at no greater than 1/12 from the worker’s annual gross salary during the term of employment. At the end of employment,

apart from situations where there is dismissal for gross misconduct, workers shall not be charged any remaining balance due on any levies.

- If a fee is not specifically listed above or does not fit any of the example categories, Foreign Migrant workers shall not be required to pay anything that a Local worker would not be required to pay.

**Rating:**

Where prohibited recruitment and hiring fees paid were not reimbursed within 90 days, or as soon as practicable upon discovery.

- **Priority:**

Less than or equal to 1% or 3 workers or fewer (whichever is greater) of the sampled population found to be paying prohibited fees more than 150% of monthly gross base wages.

- Greater than 1% to 5% or more than 3 workers but less than 7 workers (whichever is greater) of the sampled population found to be paying prohibited fees more than 150% of monthly gross base wages.
- Greater than 5% to 40% or more than 7 workers (whichever is greater) of the sampled population found to be paying prohibited fees more than 100% of monthly gross base wages.
- Greater than 40% of the sampled population found to be paying prohibited fees

**Major:**

- Less than or equal to 1% or 3 workers or fewer (whichever is greater) of the sampled population found to be paying prohibited fees more than 100% of monthly gross base wages, but less than 150%.
- Greater than 1% to 5% or more than 3 workers but less than 7 workers (whichever is greater) of the sampled population found to be paying prohibited fees less than 150% of monthly gross base wages.
- Greater than 5% to 40% or more than 7 workers (whichever is greater) of the sampled population found to be paying prohibited fees less than 100% of monthly gross base wages.

**Minor:**

- Less than or equal to 1% or 3 workers or fewer (whichever is greater) of the sampled population found to be paying prohibited fees less than 100% of monthly gross base wages.

This table depicts the above ratings for findings of prohibited recruitment and hiring fees that were paid and not reimbursed within 90 days, or as soon as practicable upon discovery. Frequency percentages are based on the sample size.

Frequency \ Severity in monthly gross base wages	≤100%	>100%-150%	>150%
≤1% or 3 workers or fewer (whichever is greater)	Yellow	Red	Black
>1%-5% or more than 3 workers but less than 7 workers	Red	Red	Black
>5%-40% or more than 7 workers	Red	Black	Black
>40%	Black	Black	Black
<b>Key</b>			
Priority	Black		
Major	Red		
Minor	Yellow		

For findings other than prohibited recruitment and hiring fees paid were not reimbursed within 90 days, or as soon as practicable upon discovery:

- **Priority:**
  - Penalty to leave without reasonable notice is **>3 months of gross base wages**
  - Workers restricted from voluntary employment termination or penalized in other ways when giving reasonable notice.
  - A Priority item in A1.3, A1.4 or A1.5
- **Major:**
  - Termination notice period more than the stricter of 1 month or law
  - Penalty to leave without reasonable notice is >60% of 1 month of gross base wages (about 2-3 weeks)
- Minor: Not applicable.
- Not Applicable: Not applicable

**Remote verification:** No

**A1.2 Adequate and effective policy and procedures are established ensuring that any form of forced, bonded, involuntary prison, trafficked or slave labor is not used.**

**Minimum requirements:**

- Site observation: Not Applicable
- Document review:
  - Clear policy or procedures are in place to ensure that no forced, bonded, involuntary prison, trafficked or slave labor is used.
  - Training or communication of all employees and workers, suppliers and labor agents/contractors is in place and being implemented.
  - Monitoring of compliance with policy and correction if identified during monitoring is in place. Reports of monitoring and corrective actions (if applicable) are available. These include at least:
    - Policies and procedures in place to prevent any form of involuntary labor. This is applicable for direct and indirect employment workers.
    - A written set of instructions is established for all subcontractors and labor recruiters that prohibit forced labor. A documented process to actively verify compliance of first-tier suppliers with these requirements is in place. A procedure to determine the specific amount of any fees and expenses paid by each individual foreign worker prior to commencement of work is implemented.
    - Recruiting and hiring practices: Policies and procedures are in place to prohibit excessive fees
    - Termination and Early Leave: Contracts, worker handbook or training materials state that workers can resign within the local law without penalty (no threat of punishment, fines, violence, or withholding wages). The policy and procedure state that when if employment has been terminated voluntarily or involuntarily, worker will be paid appropriate amounts for all hours worked.
    - Other fees/deposits/debts - Policy/procedure clearly state that workers are not required to pay fees, deposits or incur debt as part of the employment (either as one-time or installment payments, collected directly or through wage deductions).

Note: Any nonconformance that is related to worker employment conditions should still be reported within their appropriate subsection elsewhere (e.g. if wages are delayed, benefits not paid, then report in A4).

**Rating:**

- Priority: Not applicable
- Major:
  - No policy or procedure (must include recruitment and hiring practices, termination and other fees/deposits/debt)
  - Any policies or procedures that do not comply with law
  - No training or communications,



- No monitoring of program effectiveness
- Trafficked or slave labor prohibition requirements are not effectively communicated to subcontractors and labor agents
- Any priority in A1.1, A.1.3, A1.4 and A1.5
- Minor:
  - Policy and procedures are in place for recruitment and hiring practices, termination and other fees/deposits/debt and policies and procedures comply with law, but one of the implementation components is missing (e.g. training or communications, monitoring, correction) in either direct workers or those employed by labor agents/subcontractors.
  - Monitoring of program effectiveness is in place but corrective actions on findings are open/not in place
- Not Applicable: Not applicable

**Remote verification:** No

**A1.3 Terms of contract are provided in writing and in their own language prior to employment (in case of migrant workers, before they leave their home country/region) of the key employment terms and conditions via employment letter/agreement/contract as required by law and explained verbally so workers understand what the contract states.**

**Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Workers are informed prior to employment (in case of migrant workers, before they leave their home country/region) of the key employment terms and conditions either verbally or in writing via employment letter/agreement/contract as required by law in their native language.
  - The minimum components of this information is:
    - Nature of work
    - Working hours, wages
    - Leave entitlements
    - Benefits (housing, transportation, uniforms, ...)
    - What fees the worker will be charged and the amount(s)
    - Other benefits provided (pension, insurances, etc.)
    - Wage deductions.
  - The conditions on employment for worker comply with the relevant ILO conventions and law.
  - If labor agents/contractors or subcontractors/agents are used, then agreements need to be in place detailing that these organizations need to comply with the requirements applicable to the worker in their operations.
  - No contract substitution is allowed for migrant labor between home departure and start of work.
  - Any contract changes are declared and follow good practice communication/negotiation with worker and complies with all legal requirements.
  - Defined worker group (student/intern/dispatch, ...) in compliance with legal and/or customer requirements

**Rating:**

- Priority:
  - Contract substitution for materially worse conditions (e.g. lower wages, different production facility, undisclosed fees for housing, food, ...)
  - No contract or conditions communicated prior to employment (before leaving home in case of migrant worker)  
Contracts contain language to limit the workers' ability to voluntarily terminate their employment

**Major:**

- No contract or contract not in native language or contract not delivered prior to departure (in case of migrant workers) BUT conditions were communicated before work began (before leaving home in case of migrant worker)

- Contract or conditions communicated were incomplete (missing one or more elements)
- No contracts are in place between the Auditee and labor agents/contractor
- Defined worker group mix is >5% above legal/customer limits
- A Priority rating in A1.1, A1.2, A1.4, or A1.5
- Minor:
  - Contracts are provided AND contracts are in place with labor agent/contractor but are incomplete (e.g. missing terms or conditions)
  - Defined worker group mix is >1% and ≤5% above legal/customer limits.
- Not Applicable: Contracts are not legally required.

Note: a priority rating also requires a priority rating for A1.1

**Remote verification: No**

**A1.4 Upon hiring, the workers government issued identification and personal documentation originals are not held by employer/labor agent/contractor (if applicable)**

**Minimum requirements:**

- Site observation:
  - Foreign/Migrant workers and any workers in any form of company/agent/contractor living accommodations have secure individual storage adequately protected from unauthorized access and accessible to the workers at any time.
  - Workers can demonstrate where personal documents are kept.
- Document review:
  - Workers shall maintain possession or control over their identity documents and Auditee shall not require the worker to relinquish control over such documents.
  - A policy or procedure is in place stating no government issued identification or person documents originals are held or stored.
  - Auditee may request-where permitted-copies of the original documents.
  - Worker files contain no workers' personal documentation originals (e.g. passport; work visa/permit; citizenship, residence, identification, social security/insurance cards/documents; birth certificate; bank documents;...).
  - In some countries the local law requires employers to hold foreign workers' personal documents.
    - In those cases, procedures are in place for safe keeping of only those personal documents required by law. Personal documents must not be tampered with or damaged in any way. Worker must have access to those documents within 12 hours of requesting them. In no case shall there be a fee for the safe keeping of government-issued identification, passports or work permits.

**Rating:**

- Priority:
  - Any original personal documents are destroyed, concealed, confiscated, involuntarily held or access is denied when requested.
- Major:
  - Original personal documents are kept
  - There is no policy for document safekeeping and/or worker access to their documents when the law requires holding original documents
  - Lack of personal secure storage for foreign/migrant workers or workers in any form of company/agent/contractor provided living accommodations that is always accessible to workers.
  - A Priority rating in A1.1, A1.2, A1.3, or A1.5
- Minor:

- When the law requires holding original-documents, a safe keeping policy and procedures are in place but workers cannot access their documents within 12 hours.
- For workers in any form of company/agent/contractor provided living accommodations, access to personal secure storage is inhibited in fewer than 5% of cases.
- Not Applicable: Not Applicable

Note: a priority rating also requires a priority rating A1.1

**Remote verification: No**

## **A1.5 There are no unreasonable restrictions on the movement of workers and their access to basic liberties**

### **Minimum requirements:**

- Site observation:
  - If workers reside on site (dormitory), gates or access to the dormitory is open or there are no unreasonable restrictions through procedure or undue security guard restrictions, including during workers' rest time and their ability to leave the facility.
  - Workers move freely when needed to access basic liberties.
  - Workers should be free to leave the Auditee location or dormitory when not engaged in work.
  - There are no systems for restriction in place such as toilet passes.
- Document review:
  - Policy/procedures on freedom of movement are in place.
  - Entry and leave records (if applicable) show no restriction in movement (e.g. toilets, drinking water, external medical facilities, factory/dormitory exit and entry).

### **Rating:**

- Priority:
  - Any situation that is putting workers at a health or safety risk (e.g. locking in factory or dorm).
  - Workers are restricted from movement through threat of firing, reporting to authorities or similarly severe threat.
- Major:
  - Workers are restricted from movement through threat or penalty (but not a threat of firing, reporting to authorities or similarly severe threat), even if a policy is in place.
  - A Priority rating in A1.1, A1.2, A1.3, or A1.4
- Minor:
  - No policy or procedures are in place on freedom of movement but there are no restrictions on freedom of movement.
  - Non-coercive restrictions systems/procedures are used (e.g. toilet passes)
- Not Applicable: Not applicable

Note: a priority rating also requires a priority rating A1.1

**Remote verification:** No

## **A2) Young Workers**

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 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 learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety of young workers, including night shifts and overtime. Participant shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with applicable law and regulations. Participant shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

### **A2.1 Workers are not below the minimum age**

#### **Minimum requirements:**

Minimum age is defined as 15 years old or under the minimum age for employment in the country (whichever is greatest).

- Site observation: No visible underage workers are on site
- Document review:
  - A formal child labor prohibition policy is in place
  - Personnel file sample and/or worker roster shows all workers are above minimum age or above company policy minimum age (whichever is greater)

Note: Auditors need to ensure that sample covers all types of workers/employees.

#### **Rating:**

- Priority: Confirmed underage workers are present at the facility or were present at the facility in the last six months
- Major: No policy or training on policy in place but no underage workers present
- Minor: Workers are above minimum working age but below company policy minimum
- Not Applicable: Not applicable

**Remote verification: No**

**A2.2 An adequate and effective policy and process is established to ensure that workers below the legal minimum working age are not hired either directly or indirectly via labor agencies/contractors.**

**Minimum requirements:**

- Site observation: No visible underage workers are on site
- Document review:
  - An adequate and effective policy and process, including:
    - communication/training on child labor prohibition policy Auditee and labor agencies/contractors
    - A process is in place to verify reliability of age documents such as birth certificates, local records, passports, family book, school diplomas, or others. The identification shall be government-recognized photographic identification. Age-verification must include visual verification via photographic identification on an official document. Auditee must inspect and cross-reference to verify the validity at least two of the following:
      - Matching photographic ID to worker's face
      - Verification through third-party resources where available, such as Internet resources or local government offices
      - Birth certificate
      - Government-issued personal identification card
      - Driver's license
      - Voting registration card
      - "Official stamped" copy of a school certificate
      - Affidavit from local government representative
      - Foreign national work permit or other government recognized document.
  - Have a reliable ID verification system to control the workers' access into the facility, such as finger printing or ID card with owner's photograph to prevent the under-age worker's entering the facility by using another person's ID
  - Auditee shall not refuse the young worker's job application after the young worker's age meets legal requirements.
  - Procedure to assist underage children found working in the Auditee that is designed to provide for the welfare of the child, including:
    - Health exam and appropriate action if necessary
    - Completion of compulsory schooling
    - Maintaining the child's income until legally eligible to work
    - Underage workers should not be discharged or fined but best effort made to move them into proper apprenticeship positions (where they are legal and exist), restricting their hours and type of work to accommodate educational needs, as required
  - Training materials/records on the policy for workers are in place.



**Rating:**

- Priority: Child or underage workers are hired directly or indirectly through a labor agent/contractor
- Major: No formal policy and process in place, no proof-of-age documentation.
- Minor: Formal policy in place, process is incomplete or proof-of-age documentation is missing
- Not Applicable: Not applicable

**Remote verification: No**

Note: If A2.1 Priority then default Major Nonconformance for inadequate process.

**A2.3 Workers under the age of 18 are not allowed to perform work that is likely to jeopardize the health or safety of these young workers, including night work or overtime.**

**Minimum requirements:**

- Site observation: No workers under 18 are performing jobs that are hazardous
- Document review:
  - Clear young worker policy is in place
  - Implementation mechanisms are clearly defined and implemented:
    - Health checks if required by law
    - Clear risk evaluation
    - Restriction on hours worked and time of day worked
    - Identification and assignment of young workers to non-hazardous positions
    - Young workers are not allowed night work or overtime
  - The implementation mechanisms are reflected at a minimum in personnel files, medical files and work time records.

**Rating:**

- Priority: Young workers found:
  - To be doing hazardous work
  - Night work
- Major:
  - Young workers working overtime
  - No policy AND no implementation mechanisms in place
- Minor: Policy OR implementation mechanisms are missing or incomplete
- Not Applicable: Policy and implementation mechanisms are in place. No workers under age 18 on site.

**Remote verification: No**

## **A2.4 Adequate and effective Apprentices/Intern/Student Worker employment policies and procedures are in place.**

### **Minimum requirements:**

Note: An apprenticeship is different from worker probation period. Apprentices/intern/student worker programs are regulated by law in most countries, with specific limits on:

- The number of hours worked should not exceed legal limits;
- Working hours shall also not conflict with the student worker's school attendance, duration of training period, and number of times the same worker can be classified as a trainee;
- Auditee shall not deduct educational fees from the student worker's wages nor shall they deduct placement fees from the student worker's wages;
- Auditee shall ensure that the student worker is insured against accident or liability and that the student worker is fully covered for any other forms of insurance required by law or regulation;
- The period where wages can be below minimum wage as per law should be limited and reasonable in duration or not longer than 6 months, whichever is stricter; and
- Student workers/interns/apprentices should only be assigned to work activities that complement the academic degree/certificate or skill enhancement learning goals.
  
- Site observation:
  - Student workers/interns/apprentices only perform tasks related to their field of study or learning of a new vocation and shall not perform the tasks prohibited by applicable laws.
- Document review:
  - If Auditee does not hire apprentices/interns/student workers then it should have a policy statement stating this.
  - Effective procedures for establishing internships/student workers assignments and apprenticeships are in place:
    - General requirements:
      - Policy should at least include a commitment to only providing internships/student workers assignments and apprenticeships that complement their course of study field or learning of a new vocation, maximum duration of apprenticeship (not more than 6 months if worker is paid below minimum wage), details on promotion/hiring opportunities after successful apprenticeship, eligibility, recruitment, employment agreement, nature of work, working hours, wages and benefits. All of these comply with local legal requirements,...).
      - No agency or intermediary may be used in connection with the recruitment, hiring, arrangement, and

management of student workers, interns or apprentices.

- All work is voluntary (including choice of learning placement assignment)
- Protection of student workers', interns' or apprentices' rights in accordance with applicable laws and regulations
- Maintain student worker/intern or apprentices' records in personnel files (includes agreement if applicable, learning objectives, evaluations, reference to training material, assignment, ...)
- Student workers, interns or apprentices are not used to simply fill a labor shortage
- An outline of training program and copies of the training material are available at all times
- Communication and training of managers, supervisors and all workers on the policy and how the policy is implemented is provided.

Specific requirements:

	<u>Student worker</u>	<u>Intern</u>	<u>Apprentice</u>
<u>Tri-party agreement (student, school, and company/Auditee)</u>	<u>Yes</u>	<u>N/A</u>	<u>N/A</u>
<u>No financial/scholastic penalty (note scholastic penalty is allowed only if directly related to underperformance on educational component of program)</u>	<u>Yes</u>	<u>Yes</u>	<u>N/A</u>
<u>Due Diligence: verify that worker is actively enrolled in a valid program of study at an educational institution. Take corrective actions to address any nonconformance by an educational institution and establish sanctions as appropriate, including termination of the relationship</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>
Wage rate the same as other workers performing equal or similar tasks	<u>Yes</u>	No (at least minimum wage during intern	N/A*

		period)	
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\* agreed apprentice wage increase when meeting new skills requirements. Workers after a successful apprenticeship have clearly documented promotion and wage adjustment

- Specific requirements on tri-party agreement (student workers (and/or legal guardian), school and Auditee) The terms of the agreement must include:
  - All terms required by applicable laws and regulations
  - Student worker's full name
  - Student worker's emergency contact information
  - The name and address of the student worker's school
  - The name and address of the Auditee, etc.
  - Living conditions (if applicable)
  - Wages and benefits
  - Costs (if any) for meals and accommodation (must be no higher than a fair market rate)
  - Working hours
  - Nature of work and place where it will be performed
  - Signed in three copies

Note: if the student worker/intern or apprentices is a young worker (i.e. does not fall under any of the three classifications above), then all young worker requirements in A2.3 apply (report in A2.3)

**Rating:**

- Priority: Not Applicable
- Major:
  - Work performed by apprentices is not related to a field of study or learning of a new vocation.
  - Apprenticeship where worker is paid below minimum wage is longer than 6 months (longer than 6 months is only permitted if legal requirement)
  - No tri-party agreement among the school, factory and student/parent
  - Intern, student worker or apprentice is hired through a labor agent/contractor
  - No procedures in place
- Minor:
  - No policy on learning programs in place
  - No school due diligence performed
  - Procedures are in place but incomplete.
- Not Applicable: A policy on learning programs is in place, no student workers, interns or apprentices on site

**Note:**

- If student worker/intern or apprentices (under 18) work in hazardous conditions, work night shift or do overtime then report in A2.3
- If working hour exceeds the limit required by the country laws/regulations then report in A3.1,
- If wages do not minimum wage or entry wage for same position then report in A4.1

**Remote verification: No**

### **A3) 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.

#### **A3.1 Hours worked in a workweek over the last 12 months does not exceed 60 hours or the legal limit (whichever is stricter).**

##### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Mandatory sample size of individual time records as well as summary reports, show the number of hours worked - including overtime - per worker per week should not exceed 60 hours
  - 3 months will be evaluated out the last 12 months; these months should typically be a peak, a valley and an average month. For each month the following is reported:
    - working hours per week (working hours evaluation sample should be reflect the demographics of location, and not focused on highest hours only),
    - maximum working hours for all workers exceeding 60 hours or legal limit whichever is stricter (number versus total) and maximum hours worked.
    - For a 90 day Priority audit the trend since last audit must be reviewed, for rating the month immediately preceding the priority audit is used at 3 times normal sample rate. For a 180 day priority audit the trend since last audit must be reviewed, for rating the 3 month immediately preceding the priority audit is used at normal sample rate.
  - Local laws must be adhered to in the appropriate breakdown of hours.
  - Unless specified otherwise by local legal requirements, this provision does not apply to exempt workers, including those in executive, managerial, or professional positions.
  - If 60 hours limit or legal requirements are exceeded, ensure this was not because of an emergency or unusual situations. Exceptional circumstances must be documented at the time of the emergency or unusual situation.
  - If a government waiver/permit or alternative working hour system is in place then it needs to comply with the EICC Waiver Policy (see section 17).



**Rating:\*\***

Work Weeks (Total or Specific Area or Function or Nationality)	>1% to <=5%	>5% to <=40%	>40%
>84 hours/week	10. Priority		
>72hours/week to <=84 hours/week	7. Major	8. Priority	9. Priority
>60hours/week to <=72 hours/week	4. Minor	5. Major	6. Priority
>Local law* to <=60 hours/week	1. Minor	2. Minor	3. Major
<Local law AND <=60 hours/week	0. Conformance		

\* Local law is stricter than 60 hours/week

\*\*A tolerance of 1 percent of population is allowed, i.e. if no more than 1 percent of workers is detected to do more than legal limit then this is conformance, **except if weekly hours >84 hours.**

- This matrix is the consolidation of an average, a peak and a low month.
- EICC Code requires that companies comply with local law or Code whichever is more stringent. If you have a valid and current government waiver (e.g. Comprehensive Work Hour System in China which allows shifting of overtime limits) this waiver is considered “local law.” Regardless of the waiver, the 60 hours/week limit is in place.
- Working hours are reviewed in 4 ways:
  - 3 month sample
  - Within sample, by work area
  - Within sample, by job code
  - Any workers under the age of 18 must be studied separately. If found to be working in excess of the stricter of law or 60 hours per week is a Priority Non-Conformance unless required for their qualification/certification under A2.4.

**Remote verification:** No

### **A3.2 Workers receive at least one (1) day off every seven (7) days**

#### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Mandatory sample size of individual work records as well as summary reports (if available) show that the maximum consecutive days worked is equal to or less than 6 days or legal limit whichever is stricter.
  - 3 months will be evaluated within the last 12 months; these months should typical be peak, valley and average month. For each month the following is reported:
    - average consecutive days worked (average consecutive days worked evaluation sample should be reflect the demographics of location, not focused on longest only),
    - maximum consecutive days worked for all workers exceeding 6 days or legal limit (whichever is stricter).
    - For a 90 day Priority audit the trend since last audit must be reviewed, for rating the month immediately preceding the priority audit is used at 3 times normal sample rate. For a 180 day priority audit the trend since last audit must be reviewed, for rating the 3 month immediately preceding the priority audit is used at normal sample rate.
  - If 6 consecutive days or legal requirements (whichever is stricter) are exceeded, ensure this was not because of an emergency or unusual situation. The exceptional circumstances must be documented at the time of the emergency or unusual situation.
  - Local laws must be adhered to in the appropriate breakdown of days worked.

**Rating\*:**

Total or specific area, function or nationality	>1% to <=5%	>5 to <=40% of sampled workers	> 40% of sampled workers
>= 24 Consecutive days	priority	priority	priority
>12 to <24 consecutive days	minor	major	priority
> 6 to <=12 Consecutive Days **	minor	minor	Major

\*Or legal requirement if stricter than 6 consecutive days

\*\*Not Applicable rating: Not applicable

\*\*A tolerance of 1 percent of population is allowed, i.e. if no more than 1 percent of workers is detected to work more than the legal limit then this is conformance, **except if the days off are more than 12 or more days, in which case the 1 percent tolerance does not apply.**

- This matrix is the consolidation of the average of an average, a peak and a low month
- Days of Rest are reviewed in 4 ways:
  - Average of sample
  - Within sample, average by work area
  - Within sample, average by job code
  - Any workers under the age of 18 must be studied separately. If found to be working in excess of the stricter of law or 60 hours per week is a Priority Non-Conformance unless required for their qualification/certification under A2.4.

**Remote verification:** No

**A3.3 Adequate and effective policy and system/procedures are established to determine, communicate, record, manage and control working hours including overtime, including reliable and detailed records of workers' regular and overtime working hours**

**Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - An effective working hours policy and implementation mechanism is in place to accurately determine, record, manage and control working hours including overtime and days off.
  - The policy and implemented process should at a minimum:
    - ensure awareness of requirements of compliance with local and national laws and regulations regarding working hours and days off and EICC requirements
    - integrate legal and EICC requirements
    - monitor actual performance
    - Use a strategy to ensure conformance with all requirements.
  - If Nonconformance is detected, documented corrective action should be implemented and progress against the corrective action documented.
  - An effective communication and training system to provide advance warning as working hours nears the maximum hours is in place.
    - Clear working hours and overtime communication/training materials are available.
    - The detail of the communication/training materials align with Auditee policy and legal requirements.
    - Tracking sheets on communications/trainings are kept
  - Review the company's time records and system for recording time worked to determine that time is recorded accurately and completely. This includes:
    - All workers have a time record.
    - Each time record is accurate and can be cross-referenced with leave records, production records, maintenance, procurement or other relevant records.
    - Time records need to include:
      - Regular working time and overtime
      - Adequate detail to allow for daily, weekly and monthly working time and overtime analysis.
    - Time recording devices are present and all are in working order.

**Note: Unintentional errors found in records are covered here. If intentional errors are found, then this is covered in section D3.1.**

**Note: If A3.1 or A3.2 is a Nonconformance then A3.3 is a Nonconformance**

**Rating:**

- Priority: Not Applicable
- Major:

- 2 or more components (policy, communication/training, tracking, implementation, monitoring and corrective action (if applicable)) are not in place
- No time recording devices present or time recording devices not accurate or not in good working order
- Time records do not match other relevant Auditee records (for more than 5 percent of population)
- Time records are not accurate adjusted after worker complaint
- **Minor:**
  - One of the components (policy, communication/training, tracking, implementation, monitoring and corrective action (if applicable)) is not in place
  - Time records not matching other relevant Auditee records (for less than 5 percent of population) (1% tolerance is allowed)
- **Not Applicable:** Not applicable

**Remote verification:** No

**Note:** Timeframe linked to A3.1 and/or A3.2

### **A3.4 Workers are allowed legally mandated breaks, holidays and vacation days to which they are legally entitled, including time off when ill or for maternity leave.**

#### **Minimum requirements:**

Most countries require workers to be given a 20 or 30 minute break every two or four hours, as well as a defined meal break. Compare the company's practices to local legal requirements.

Workers receive a reasonable amount of time off for sickness or maternity without job loss or financial penalty when supported with a medical certificate.

- Site observation: Workers are observed to take mandatory breaks which includes at least one meal break per shift and in line with legal requirements
- Document review:
  - Workers are provided with mandated meal and rest breaks, leave periods, holidays, and vacation days per local law requirement, which are detailed in:
    - the worker contract
    - work rules
    - employee handbook
    - other forms of worker communications.
  - The actual leaves and holidays are recorded in leave records, securely kept and are accurate.
  - Formal policies and procedures for sick leave and maternity leave are in place and communicated to workers, supervisors and management.
  - Leave records for 12 months are consistent with those medical certificates.
  - Payroll records for these absence show that there was no financial penalty for maternity or sick leave.

#### **Rating:**

- Priority: Workers are not allowed time off for illness or maternity with valid medical certificate
- Major:
  - No policy in place and mandatory breaks/holidays are not provided or guaranteed.
  - Leave records are not kept or accurate.
- Minor:
  - Holidays and mandatory breaks are provided as per legal requirements but:
    - no policy in place
    - policy not communicated to workers
- Not Applicable: Not applicable

**Remote verification: No**

#### **A4) 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. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

##### **A4.1 Legal wages for regular and overtime hours are correctly calculated and paid to all workers**

###### **Minimum requirements:**

In case the country does not have a legal set minimum wage, then the industry prevailing wage will apply as a standard. **The industry benchmark and reference needs to be specified under legal references in this case.**

- Site observation: Not applicable
- Document review:
  - “Pay equals time worked” applies; this means any company-required activity, such as briefings, trainings, daily overview meetings, shall be paid equal to the time of this mandatory attended activity.
  - All workers shall be paid no less than the minimum wage for all regular hours as per applicable laws and regulations. A worker’s base wage shall always be set at or above minimum wage for the classification of worker. This applies to both direct and indirect workers.
  - Auditee correctly calculates wages, benefits, and overtime and maintains accurate pay records.
    - Evaluate the company's pay system and records to determine if workers are paid at least the legal minimum wage applicable in the country of operation or the amount specified in worker contract.
    - Document review needs to be for at least three months (Average, peak and low activity months) and for all workers in the statistical sample.
    - For each of the months specify in report the minimum wage, and the average wage for obvious worker categories.
    - Look for deductions from workers' pay that can reduce compensation to below minimum wage.
    - Assess the impact of the production system on pay – verify that production targets do not drag workers below the legal minimum wage.
    - Review payroll records and look for the lowest compensation totals to determine all mandated pay and benefits are provided.
  - Ensure overtime and other compensation and benefits are paid and are on top of minimum or contract wage for regular hours

Note: Student workers/interns/apprentices must be reviewed as a separate category

**Rating:**

- Priority: More than 20 percent of sample is paid below minimum wage
- Major:
  - No policy is in place AND
    - wage calculations have structural calculation error
    - 5 to 20 percent of sample or population are paid below minimum wage
    - 5 percent or more are not paid benefits or correct overtime compensation
- Minor: No policy is in place but calculations and payment conform to legal requirements, contract or EICC requirements
- Not Applicable: Not applicable

**Remote verification:** No



#### **A4.2 For each pay period, workers are provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed**

##### **Minimum requirements:**

In most countries the law states the requirement of the employer to contribute a portion of worker's wages to national or private insurance schemes. These general consist of retirement, unemployment, accident, medical and possibly others. These need to be communicated to workers and reflected on worker wage receipts.

- Site observation: Not applicable
- Document review:
  - Workers are provided with payroll receipts that clearly indicate compensation, including overtime hours and overtime compensation levels and detail of deductions (e.g. insurance contributions,...).
  - Review evidence that workers are given information relating to wages in an understandable form.
  - Workers are provided with training to fully comprehend how wages are calculated and what to expect when they receive payment.
  - Auditee pays wages directly to workers (or a legally designated to a third party) with no unauthorized deductions (including for disciplinary measures) in a timely manner.
  - For regularly recurring pay (including overtime, other) should not be a delayed more than two days after the agreed timing for payment (as noted in the employee contract or by law (whichever is stricter)).
  - For severance pay, payment must be made in compliance with local law or not later than one month after final day on the job.
  - Verify for statistical sample and for a minimum of three months:
    - worker signatures on pay registers
    - bank transfer records, or other equivalent proof of payment, which includes date and amount due for each single worker

##### **Rating:**

- **Priority:**
  - Payments have been delayed for more than 1 month
- **Major:**
  - Wages and compensation are not communicated to workers in the form of pay slips, pay roll receipt or equivalent
  - No training or explanation of wages are provided to workers
  - Payments are delayed less than one month and for more than 5 percent of sample or population
- **Minor:**
  - Communication and training is provided but more than 5 percent of the workers do not understand how wages are calculated
  - Payments have been delayed less than one month and less than 5 percent of sample or population
- **Not Applicable:** Not applicable

**Remote verification:** Yes

#### **A4.5 Wages are not deducted or reduced for disciplinary reasons**

##### **Minimum requirements:**

“Pay equals time worked” applies, this means that if a worker is late the impact on its wages can be no more than the time the worker was late.

- Site observation: Not applicable
- Document review:
  - A clear policy prohibiting disciplinary wage deductions is part of the wages and compensation or equivalent policy.
  - Disciplinary records, pay slips and payment records of wages or equivalent for statistical sample for at least 3 months do not show any form of disciplinary wage deduction

##### **Rating:**

- Priority: Not Applicable
- Major: (default): Wage deductions are employed by the Auditee as a standard disciplinary measure
- Minor: Wage deductions are not employed by the Auditee however no clear policy statement on this is in place
- Not Applicable: Not applicable

**Remote verification:** No

#### **A4.3 Deductions or withholdings are calculated correctly and submitted to the appropriate government agency within the local law time frame**

##### **Minimum requirements:**

Withholdings for taxes and other government programs should be made promptly to the applicable agency. In most countries the law state the requirement of the employer to contribute to national or private insurance schemes. These generally consist of retirement, unemployment, accident, medical and possibly others.

- Site observation: Not applicable
- Document review:
  - For at least 3 months statistical sample of population documents should be available to demonstrate for each worker regulatory deduction, payment and communication to worker.
  - Pay stub / process meets local legal regulatory deductions / rates.
  - Records of employer contributions to worker insurance schemes, e.g. unemployment, retirement/pension, health/medical, life, accident, disability, ... are available on a monthly basis that:
    - allows for analysis by individual worker
    - total per contribution type.
  - Payment records for these contributions are available for at least 12 months and payments are made timely.  
Contributions are communicated to worker. EICC does not accept a signed agreement with a worker that allows auditee not to deduct the social insurance as conformance option to legal social insurance compliance.

**Note: student workers/interns/apprentices must be reviewed as a separate category**

##### **Rating:**

- Priority:
  - Payment of government or regulatory deductions have not been made or paid on time for at least 3 months
  - More than 20 percent of sample or population do not have correct legally required employer contributions paid.
- Major:
  - Payment of government or regulatory deductions are not calculated correctly or are not paid on time
  - 5 to 20 percent of sample or population do not have correct legally required employer contributions paid.
  - Legally required contributions are not paid regularly or timely
- Minor:
  - Payment of government or regulatory deductions are calculated correctly but errors are found in the application on a limited number of statistical sample (less than 5 percent)
  - Legal employer contributions are paid timely but not communicated to workers.
  - 5 percent or less of sample or population do not have correct legally required employer contributions paid

- Not Applicable: No withholdings or legally required contributions

**Remote verification: Yes**

## **A5) Humane Treatment**

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. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

### **A5.1 No evidence of sexual harassment or abuse, corporal punishment, mental or physical coercion, verbal abuse or intimidation exists**

#### **Minimum requirements:**

Inhumane treatment includes sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse, as well as withdrawal of basic physical comforts provided other workers.

- Site observation: No identification of possible instances of inhumane treatment.
- Document review:
  - Grievance records do not show instances of inhumane treatment.
  - If instances are found appropriate corrective actions are taken immediately and documented.
  - Disciplinary records do not show inhumane disciplinary measures.

#### **Rating:**

- Priority: One or more case of inhumane treatment are reported without action taken by Auditee management
- Major: Less than 2 inhumane treatment cases are reported with actions still in progress
- Minor: Less than 2 inhumane treatment cases were reported with actions completed but no measures on an ongoing basis.
- Not Applicable: Not applicable

**Remote verification: No**

**A5.2 Adequate and effective policies and procedures on decent/humane working conditions and fair treatment of workers are established and communicated to all workers**

**Minimum requirements:**

Inhumane treatment includes sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse, as well as withdrawal of basic physical comforts provided other workers.

- Site observation: Not applicable
- Document review:
  - Disciplinary policy is in place prohibiting physical or sexual harassment and abuse.
  - The disciplinary policy is clearly communicated to workers and management in:
    - worker training
    - worker handbooks
    - notice board postings
    - other means immediately accessible to all workers.
  - The following documents are in place:
    - humane disciplinary measures/procedures
    - grievance/complaint mechanisms and procedures for workers to report instances of harsh/inhumane treatment
    - procedures to investigate and address such complaints, including appropriate disciplinary actions against those that have committed harsh/inhumane acts.

**Rating:**

- Priority: Not Applicable
- Major:
  - No disciplinary policy/procedures
  - No disciplinary policy/procedures training
- Minor: Disciplinary policy and disciplinary action records are available but communication or training is not effective (less than 5 percent cannot explain disciplinary action procedure)
- Not Applicable: Not applicable

**Remote verification: No**

### **A5.3 Disciplinary actions are recorded, consistent with the procedures and reviewed by management**

#### **Minimum requirements:**

Inhumane treatment includes sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse, as well as withdrawal of basic physical comforts provided other workers.

- Site observation: Not applicable
- Document review:
  - Disciplinary actions procedure is documented and conforms to legal requirements and does not contain inhumane practices.
  - Clear records of all cases of disciplinary action are available
  - All written records of disciplinary action against workers must be verifiably communicated to them.
  - For statistical sample, the disciplinary records for last 12 months shows disciplinary actions with signature or confirmation of worker.

#### **Rating:**

- Priority: Not Applicable
- Major:
  - Disciplinary action records are not available
  - Disciplinary action records are not consistent with company procedures
- Minor: Disciplinary action records are available but workers do not confirm or sign the records/actions
- Not Applicable: Not applicable

**Remote verification: Yes**

## A6) Non-Discrimination

Participants 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, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests or physical exams that could be used in a discriminatory way.

### A6.1 No evidence of discrimination.

#### **Minimum requirements:**

- Site observation: Facility observation does not uncover any visible instances of discrimination
- Document review:
  - Review for discrimination based on pregnancy tests:
    - Documents should verify that the facility complies with all applicable laws and regulations regarding pregnancy and postnatal employment protections, benefits, and pay.
    - Auditee shall not:
      - refuse to hire an applicant for a non-hazardous position; or
      - terminate a worker's employment solely based on the worker's pregnancy status.
  - Review for discrimination based on medical tests:
    - Auditee shall not, on the basis of a person's medical status, make any employment decisions that negatively affect the person's employment status unless such decision is dictated by the inherent requirements of the job or is prudent for workplace safety.
    - Auditee shall not discriminate against a worker in eligibility for another position based on the worker's refusal to take a medical test where there is no required medical test for such position.
    - Health tests, pregnancy testing, or contraception are not used as a condition of employment. (In some cases, local governments require health tests for foreign workers prior to issuance of work visas.)
    - Workers or potential workers are not subjected to medical tests that could be used in a discriminatory way.
  - Review for discrimination against protected classes in hiring and firing employees:
    - Hiring and termination records confirm the candidate's ability to perform the job's requirements.
    - Job postings and advertisements do not discriminate.
  - Hiring records, promotion records, pay roll, general training and disciplinary records for statistical sample are reviewed for consistency of policy and to look for evidence of discrimination including hiring, wages, promotions, rewards, and access to training.



**Rating:**

- **Priority:** Management discriminates in a structural way that causes significant harm to a protected class.
- **Major:** Two or more discrimination cases are reported with actions not taken.
- **Minor:** One discrimination case was reported with actions completed but no preventative measures on an ongoing basis
- **Risk of Nonconformance:** Discrimination case allegations exist which are open (not investigated/closed). Discrimination exists because of current legal provisions in the country of operation.
- **Not Applicable:** Not applicable

Note: discrimination cases are applicable if these cases have a documented basis, allegations are not considered as a discrimination case.

**Remote verification:** No

**A6.2 Adequate and effective policies and procedures that ban discrimination and harassment are in place.**

**Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Policies that ban discrimination are established.
  - Decisions in hiring, employing (such as compensation, promotion, access to training, ...), or terminating workers are based solely on the candidate's ability to perform the job's requirements.
  - Written job descriptions that focus solely on “occupational qualifications,” not personal characteristics are in place.
  - Non-discrimination policies and procedures are communicated to workers, supervisors and management.
    - An initial training on non-discrimination
    - Annual refresher training for supervisors and managers is in place
    - Training material and records are in place and consistent with legal requirements and written policy.
  - Auditee periodically reviews hiring practices, compensation records, employee evaluation and promotion documents, training records, employee benefits policies and procedures, and termination/disciplinary records to determine that there is no prohibited discrimination.
  - Hiring agents and supplier management are trained in non-discrimination and applicable non-discrimination laws

**Rating:**

- Priority: Not Applicable
- Major: No non-discrimination policy or policy communication/training in place
- Minor: Non-discrimination policy in place, but does not protect all EICC-protected classes; or policy is not communicated/trained on regular basis
- Not Applicable: Not applicable

**Remote verification:** Yes

### **A6.3 Reasonable accommodation for religious practices is provided.**

#### **Minimum requirements:**

To provide reasonable accommodation for religious practices, a facility is expected to take reasonable measures to ensure that every worker is not discriminated against based on established religion. Where significant numbers of followers of a religion require special accommodation to perform their religious obligations, the facility should work to take extra steps to provide space, time, and flexibility to allow these individuals to meet their religious obligations.

- Site observation: In countries and/or work places where a significant percentage of the workers require prayer spaces to perform religious observances; clean and safe prayer /religious areas are provided.
- Document review:
  - Adequate and effective procedures are in place to reasonably accommodate for religious practices and adjustments to the work environment to allow a worker to comply with their religious beliefs while at work or in the job application process.
  - The procedures must reasonably accommodate group or individual's religious practice requests made to management and may include:
    - Scheduling Changes
    - Voluntary Substitutes and Shift Swaps
    - Change of Job Tasks and Lateral Transfer
    - Dress and Grooming Standards
    - Use of Employer Facilities
    - Tests and Selection Procedures
  - Workers and supervisors are trained on Reasonable Religious Accommodation procedures and how to request these. An annual refresher process is in place.
  - A mechanism for receiving religious accommodation requests is in place
    - Requests are kept, reviewed and decision and reason of decision of accommodation (or no accommodation) is provided to the requestor in a timely manner.
    - Reasonable Religious Accommodation may be refused for safety and security concerns, after seeking alternatives (including off-site options) and/or significant impact on business operations, operating costs or other workers.
  - Granting a religious accommodation should be evaluated against the Collective Bargaining Agreement (CBA - if in place) and may vary from the CBA.
  - Dialogue with worker representatives is held if there is a difference between the religious accommodation and the CBA, if this does not violate the privacy of the Reasonable Religious Accommodation requestor.

#### **Rating:**

- Priority: When reasonable religious accommodation request applications are submitted, the request is refused by management without justification

- Major:
  - No policy or adequate Reasonable Religious Accommodation in place
  - Prayer /religious areas are provided but not safe, clean or adequate
  - Reasonable Religious Accommodation requests are made but not evaluated or decisions are not communicated to requestor/workers
- Minor: Reasonable Religious Accommodation records (application and responses) are not kept
- Not Applicable: Not applicable

**Remote verification:** No

## **A7) Freedom of Association**

In conformance with local law, participants shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment

### **Interpretative Guidance**

- The reference to “trade union” throughout this guidance refers to trade unions, union, and other worker representational bodies.
- For sake of brevity, the audit guidance focuses on the right of workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly. The audit guidance should also be read to encompass the rights of workers to refrain from forming and joining trade unions, collective bargaining, and peaceful assembly.
- Neutrality statement: The auditee company is responsible for ensuring their workers can exercise their rights to organize in a climate free of violence, pressure, fear, and threats. Auditee company is not required to take an active role in supporting workers’ efforts to associate or organize.

### **A7.1 Workers can form or enroll in a trade union of their own free will**

#### **Minimum requirements:**

Workers can form or join a trade union and are allowed to organize independently of management. Management must not interfere in the process by directly or indirectly conducting elections related to the formation, recognition or governance of a trade union.

#### Site observation:

- No evidence present of violence and explicit threats of any kind

#### Document review:

- Policies that respect that the right of workers to form or enroll in a trade union, or to refrain from doing so, are documented and are communicated to workers in a language the worker understands.
- There are no documented episodes of violence, explicit threats of any kind or any other violations of the right to freedom of association. (document findings under A5.1)
- No legal finding that an employer engaged in any unfair labor practices in violation of local law that interfered with the right of workers to unionize or, to refrain from doing so, or remove a trade union at the facility, or to refrain from doing so.

#### **Rating:**

- **Major:**
  - Freedom of Association is prohibited in Auditee communication
  - No specific policy or language in general policies that respects the right of the workers to form or enroll in a trade union

- Any grievance or legal finding that the Auditee interfered with workers Freedom of Association is not acted upon

Minor:

- Policy/Communication on Freedom of Association not communicated to or not in a language understood by the worker.
- Not Applicable: Not applicable

**Remote verification:** No

## **A7.2 Legal rights of all workers to bargain collectively, or refrain from doing so, are respected**

### **Minimum requirements:**

- Site observation:

No evidence of refusal by management to enter into negotiations upon request by the trade union.

- Document review:
  - No evidence of refusal by management to enter into negotiations upon request by the trade union.
  - Company labor policies include the recognition of the right of workers to bargain collectively, or refrain from doing so;
  - Auditee participates in good faith in the collective bargaining process with the trade union certified to bargain on behalf of the workers;
  - The Collective Bargaining Agreement, if any.

### **Rating:**

- Priority: Not Applicable
- Major:
  - Material elements of the CBA are not upheld and there is no evidence that management is taking action to remediate;
  - Evidence that the CBA process is prohibited.

Minor: Not Applicable

- Not Applicable: No CBA in place

**Remote verification:** No

**A7.3 Participants respect the legal right of all workers to peacefully assemble as well as respect the right of workers to refrain from doing so.**

**Minimum requirements:**

- Site observation:
  - No signs of explicit prohibition of the right of peaceful assembly.
- Document review:
  - A policy is in place noting the right of workers; individually or collectively; to express, promote, pursue, and defend their concerns or ideas; or to refrain from doing so; is covered in the broader company policies and is available to workers and their representatives in a language they can understand.

Documentation shows Auditee

- Respects the right of workers to peaceful assembly as well as respect the right of workers to refrain from doing so.
- Does not interfere with, restrain, or coerce workers in the exercise of their right to peaceful assembly or to refrain from doing so.
- May place reasonable time, place, and manner controls regarding assembly for purposes of maintaining a healthy, safe, and productive work environment.

**Rating:**

- Priority:
  - Not applicable
- Major:
  - Right of peaceful assembly is not recognized in policy and/or has not been upheld in practice.
  - Right of peaceful assembly process is prohibited in Auditee communication
- Minor:
  - Right of peaceful assembly communication is made, but not in a language understood by the worker.
- Not Applicable: not applicable

**Remote verification:** No



#### **A7.4 No evidence of unequal treatment between unionized or worker representatives and other workers exists**

##### **Minimum requirements:**

Management should not discriminate against workers with respect to hiring, termination, or any other term or condition of employment in order to encourage or discourage workers from forming or joining a trade union, or refraining from doing so. Differences in terms and conditions of employment between unionized and non-union workers due to a collective bargaining agreement negotiated between management and a duly recognized trade union on behalf of certain workers does not constitute discrimination.

- Site observation:
  - No evidence present of a prohibition of association
- Document review:
  - Payroll; promotion; training; disciplinary; hiring and termination records do not indicate any form of discrimination between workers;
  - No evidence that Auditee dismisses, disciplines, or explicitly threatens workers in order to encourage or discourage workers from forming or joining a trade union, or refraining from doing so.

##### **Rating:**

- Priority:
  - Not applicable.
- Major:
  - Mechanism to report and resolve discrimination is ineffective. (two or more cases).
  - Differences in pay; promotion; training; discipline; hiring and termination records encourage or discourage workers from forming or joining a trade union, or encourage or discourage workers to refrain from doing so.
- Minor:
  - One case exists where the mechanism to report and resolve discrimination is ineffective.
- Not Applicable: No union or worker representative

**Remote verification:** No

#### **A7.5 No evidence of Auditee management to control or attempt to control a trade union by any means exists.**

##### **Minimum requirements:**

Management should not dominate or interfere with the formation or administration of any trade union or contribute support, either financial or human resources. Where legally required, management will permit the democratic election of worker representatives.

Site observation:

- No evidence present of management's control of a trade union exists.

Document review:

- Policies addressing freedom of association include that the Auditee will not interfere with and will not finance a trade union;
- Trade union meeting minutes and financial records for 12 months, if available, to determine source of funding and materials;
- Management contributions are limited to providing meeting space and/or meeting materials (such as note taking material);
- Payroll records confirm that trade union employees are paid same as other workers in similar job functions.

**Rating:**

- Priority:
    - Not Applicable.
  - Major:
    - Auditee controls or attempts to control a trade union at the Auditee's facility.
    - No documentation or policy that the Auditee will not interfere with and will not finance a trade union.
    - Evidence that Auditee provides payments or other items of value to a trade union or the trade union's leadership or members.
  - Minor:
    - Not Applicable.
- Not Applicable: No trade union.

**Remote verification:** No

## B. HEALTH & SAFETY

For facilities with significant EHS risks an EHS expert Auditor will be added to the audit team for an expert review of these policies, programs, and performance. For more on the EHS expert auditor, see chapter 6 – audit team.

### B1) 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/tag out), 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 and educational materials about the risks to them associated with these hazards. Workers shall be encouraged to raise safety concerns.

**B1.1 All required permits, licenses and test reports for occupational safety is in place and a process is implemented to ensure permits and licenses are up to date at all times**

#### Minimum requirements:

- Site observation: Not applicable
- Document review:
  - All legally required occupational safety permits are in place, available for review and valid.
  - All occupational safety licenses are in place and available for review.  
Examples of these may include:
    - industrial hygiene sampling data
    - drinking water sampling data
    - ventilation flow tests
    - building occupancy permits
    - confined space entry
    - hot work permits
    - pressure vessel permits
  - Occupational safety testing reports are in place, available for review and meeting the conditions of permits, licenses or legal/customer requirements.
  - Testing is done at a frequency stated in permits, licenses or by customers and does not exceed a period of two years.
  - A documented process is in place to ensure permits are renewed before current permits expire, such as a compliance calendar or reminders/tasks/calendar appointments via an e-mail system. Permit tracking is documented.
  - Drinking water testing reports are available for review and drinking water is tested on a regular basis (minimum every two months or local regulatory requirement, whichever is stricter). If test results are available from public sources then these must be obtained and validated at least once in last 2 years.

#### Rating:

- Priority: Not Applicable

- Major: Legally required permits, licenses or testing reports missing AND no process in place to secure and renew as required
- Minor: Legally required permits, licenses or testing reports in place but no process in place to secure and renew as required
- Not Applicable: No permits or license required. No testing reports required.

**Remote verification**: Yes

**B1.2 Worker exposure to potential safety hazards (e.g. electrical and other energy sources, fire, vehicles, and fall hazards) are controlled through proper design, engineering and administrative controls and safe work procedures**

**Minimum requirements:**

If the hazards are adequately controlled, If available, select the facility's highest ranked safety risks.

- Site observation:
  - Review a sampling of the operations covered by the facility's safety programs to determine:
    - Engineering controls are used where appropriate
    - Buildings are structurally sound and conform to local building code requirements
    - Stairways and elevated work areas are provided with appropriate guardrails and handrails and elevated work platforms are rated for load capacity
    - Aisles, stairways, and work areas are free of tripping hazards (stored materials, electrical cords, ...)
    - Precautions and controls of electrical hazards are in place such as locked cabinets, closed panels, unobstructed access.
    - In areas where powered industrial vehicles are used, pedestrian walkways are clearly delineated and physically separated, where possible, from vehicle operation areas.
    - Appropriate signs, placards and labels in the native language of workers identify chemical, physical and vehicular hazards.
    - Energized parts are protected from accidental contact by enclosures and barriers and all protective methods are in place and not deficient.
    - Workers are provided with appropriate fall protection for work in elevated work areas (roof work, high lift fork trucks, towers,...). Buildings are facilitated with tie-off points to provide workers with safe anchor points in the event that they need to attach a harness.
    - Confined spaces are identified. Combustible storage is minimized and limited to areas with adequate fire detection and protection.
    - Flammable and combustible materials are properly stored to prevent the accumulation of vapors. Ignition hazards (e.g. smoking, electrical sparks, open flames, ...) are eliminated in areas where combustible and flammable materials are stored or used or if there is a flammable atmosphere.
  - A mechanism to raise safety concerns is clearly visible
- Document review:
  - Safe works practices are established and documented where engineering controls are not feasible or do not completely control the hazard.
  - Confined spaces hazards are evaluated before workers are allowed to enter.
  - A hot work permit system is in place for welding, cutting and brazing.

- A daily safety inspection is performed for all industrial powered vehicles.
- Electrical installations and wiring are regularly inspected and maintained to prevent electrical shock hazards (damaged cords and plugs, frayed wiring, missing protective barriers,...).
- Lockout/tag out program is in place for work on equipment where stored energy (electrical, pneumatic, mechanical, ...) or inadvertent start-up could injure workers.
- Educational materials (e.g. safe work instruction, operating instruction, ... ) about the risks associated with these hazards are provided to workers for their positions to ensure safe execution of the function. Examples of controls include personal protective equipment (safety glasses, gloves, and ear plugs), operating procedures (lock-out/tag-out, chemical mixing), and engineering controls (ventilation, point of operation machine guarding, building sprinkler systems). Workers are trained in hazardous atmospheres prior to entry of confined spaces.
- Procedures and worker instruction encouraging workers to raise safety concerns are implemented/available (e.g. incentive systems, ...).
- Documentation of procedures includes how the program is evaluated, implemented and communicated to workers

**Rating:**

- Priority: Imminent risk of loss of facility, life or limb
- Major:
  - One or more occupational safety hazards do not have control measures to limit worker exposure
  - Auditee is not in compliance with local/company-required controls.
- Minor: Control to limit worker exposure to occupational safety hazards in place but not regularly monitored
- Not Applicable: Not Applicable

**Remote verification: No**

### **B1.3 Appropriate Personal Protective Equipment (PPE) is consistently and correctly used where required to control safety hazards and worker exposure**

#### **Minimum requirements:**

- Site observation:
  - Observe workers in areas or performing tasks with PPE requirements.
    - PPE requirements should be communicated to employees via posted signs and worn by all affected people either performing those tasks or in the areas that require PPE.
    - Workers performing tasks that require PPE do so according to PPE procedure requirements.
  - PPE should be signed and worn appropriately by all who work or reside in this area for long periods of time (longer than exposure limit value).
- Document review:
  - If PPE use is required, the Auditee has a process in place to ensure it is used. The program elements could include:
    - signs and labels
    - regular enforcement by supervisors
    - work area inspections
    - PPE requisition and renewal procedures.
  - A process has been developed and implemented to assess worker safety hazards and determine appropriate PPE for specific job tasks and/or areas of the facility.
    - Hazards such as high noise, chemical use, heavy equipment use, awkward positions, work at heights, overhead hazards, etc. should all be evaluated.
  - Minimum PPE requirements for entering or working in any production area with open surface tanks of chemicals are masks or respirators, safety shoes, long sleeves, chemically resistant gloves, and a full face shield (if a full face shield is not accessible, safety goggles are required at minimum).

#### **Rating:**

- Priority:
  - PPE is not worn and there is immediate risk to workers
- Major:
  - PPE is not worn
  - PPE is not worn correctly in required areas or while performing tasks that require PPE
- Minor: PPE is worn in required areas, but no inspection program on safe/valid use of PPE
- Not Applicable: No PPE is required.

**Remote verification:** No

## **B2) Emergency Preparedness**

Potential 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. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

### **B2.1 All required permits, licenses and inspection/testing reports for fire safety response equipment (including fire suppression equipment) and emergency preparedness are in place and a process is implemented to ensure permits and licenses are up to date at all times**

#### **Minimum requirements:**

- **Site observation:** If local fire/emergency regulations and/or company procedures require posting of emergency numbers/procedures these should be verified via site observation.
- Document review:
  - All legally required fire safety and emergency preparedness permits are in place, available for review and valid.
  - All emergency preparedness licenses are in place and available for review and valid.
  - Fire safety inspection and emergency preparedness testing reports are in place, available for review and meeting the conditions of permits, licenses or legal and customer requirements. Testing is done at a frequency stated in permits, licenses or by customers and does not exceed a period of two years.
  - A document process is in place to ensure permits are renewed before current permits expire such as a compliance calendar, e-mail/calendar system to set tasks and reminders, and/or a work-order management system to input and track preventative maintenance activities. Permit tracking is documented

#### **Rating:**

- **Priority:** Not Applicable
- **Major:** Legally required permits, licenses or testing reports missing AND to secure and renew as required
- **Minor:** Legally required permits, licenses or testing reports in place but no process in place to secure and renew as required
- **Not Applicable:** No permits or license required. No testing reports required.

#### **Remote verification:** Yes

### **B2.2 Adequate and effective fire detection, alarm and suppression systems are in place.**

#### **Minimum requirements:**

- Site observation:
  - The Auditee has:
    - automatic fire sprinklers (if required by law or insurance company);
    - portable fire extinguishers;
    - heat and smoke detection; and
    - an alarm and notification system.



- Fire alarm control system is free of trouble/supervisory signals (trouble/supervisory signals are usually indicated by orange LED lights).
- Fire alarm manual call-points or pull-stations are provided at or along egress routes to exits.
- Normally open sprinkler control valves are locked in full open position. Fire pumps are set to run automatically. Large ducts or objects do not obstruct sprinkler heads. Fire extinguishers are in their designated locations, fully charged and free of signs of tampering and have evidence (tags) that indicate they have been inspected.
- Asbestos-containing fire-suppression materials—for example, blankets—are prohibited.
- Document review:
  - Automatic fire sprinklers (if required by law or insurance company), portable fire extinguishers, heat and smoke detection, and an alarm and notification system are inspected, tested and maintained for good state of operation on a regular basis, as required by law, insurance company, customers or common practice.
    - The inspection frequency shall not be less than monthly.
    - Testing and maintenance frequency shall not be less than that required/recommended by the manufacturer, local code or insurance company whichever is more stringent.
    - The inspection, testing and maintenance procedure, frequency and results are documented.

Note: If an insurance inspection has occurred within the last 12 months, ask to see a copy. Any issues/concerns noted in the insurance inspection report have been addressed, or are on track.

**Rating:**

- Priority:
  - No firefighting equipment or what is in place is not functioning in total
  - No automatic detection system
  - No alarm or notification system is in place
  - Firefighting equipment AND automatic detection system AND alarm or notification systems are in place but >10% is not functional
  -
- Major:
  - Firefighting equipment AND automatic detection system AND alarm or notification systems are in place but not inspected, tested and maintained regularly (at least monthly)
  - Firefighting equipment AND automatic detection system AND alarm or notification systems are in place but <10% is not functional
- Minor: Systems are in place and inspection, testing and maintenance procedures are documented and implemented but the results are not recorded
- Not Applicable: Not applicable

Note: it may take longer than 30 days to correct this Priority Nonconformance

**Remote verification**: No

**B2.3 All potential emergencies that could affect the site are identified and assessed, and adequate and effective emergency preparedness and response programs (plans/procedures) are established.**

**Minimum requirements:**

- Site observation:
  - Adequate and effective signage is observed with emergency number(s), emergency team and emergency plot, evacuation, and response plan.
  - Muster points have been established in safe locations to enable employee accountability during an emergency. Muster points will be both inside (tornado/extreme weather shelter-in-place) and external (fire, chemical release) to the buildings
  - Emergency response kits are easily located and accessible near muster points.
- Document review:
  - Results of the facility's risk assessment and the response programs intended to address the identified risks are available for review and appropriate.
  - Programs to address the identified risks are documented and updated when changes occur in the Auditee (people, place, situation) or at minimum every two years. Emergency programs must include at minimum:
    - fire
    - chemical spill (if chemicals used)
    - earthquake (if in earthquake zone)
    - bomb threat
    - work place violence
    - strike
    - severe weather (rain, flood, typhoon, frost, snow,...).
  - Emergency reporting and response procedures (including outside emergency services notification) are available and up to date.
  - Business continuity and resumption procedures are available and adequate.
  - Workers have been trained on the contents of the emergency response plans and the types of potential emergencies that may occur at their work location. Evacuation and muster points are communicated to all employees and visitors.
  - Auditee shall have a post-emergency plan as well as an investigation on the root-cause for any emergencies; record shall be kept with such results and procedures updated to reflect root-cause findings and recommendations for prevention.
  - Emergency response, business continuity and business resumption plans shall focus on minimizing harm to life, the environment and property. Risk assessments should include changes in neighboring facilities (e.g. High hazard plant being built in the area which could release chemicals, risk of explosion, ...).

**Rating:**

- Priority: No risk assessment AND no emergency response plan in place
- Major:
  - No business continuity and resumption plan in place
  - Emergency response plan is in place but not covering all minimum requirements or missing items identified in risk assessment

- Emergency plans are not updated when changes occur or at least every two years.
- Fire risk identified were not addressed (e.g. bad wiring, housekeeping of combustible materials, ...)
- Workers unaware of emergency procedures
- Lack of procedure for notification to outside emergency services
- Minor: Risk assessment and emergency response plans up to date and complete but no reporting procedure
- Not Applicable: Not applicable

**Remote verification:** No

## **B2.4 Effective emergency exit access, exits, and exit discharge are adequate in number and location, readily accessible, and properly maintained**

### **Minimum requirements:**

- Site observation:
    - Exit access, exit and exit discharge
      - An adequate number of effective means of egress and/or exits from every area
      - Multiple means of egress or exits from an area are separated from one another by distance and exit access
      - Exits and exit pathways to exit discharge are clear of obstructions
      - Exit discharges to open space/parking lot, does NOT discharge to an enclosed/gated/locked area
      - Exits and exit routes are free of material storage; and enclosures are not used for any other purpose except for egress
      - All egress doors open outward, without using a key, badge, code, special knowledge, or effort and, if required by code (based on the occupancy and hazard of contents), have listed panic hardware installed.
      - Exit discharge doors must have listed panic hardware installed.  
Non-conforming situations for egress or exit discharge doors:
        - Multiple steps to open doors
        - Anything requiring a tight grasp
        - Rolling doors
    - Exit signs:
      - Exit signs are provided to mark exits on every floor
      - Exit signs are illuminated and/or lighted in the event of a power failure
      - Additional exit and/or directional signs are provided at main passageways/aisles, long corridors and at other locations where the way to the nearest exit is not clear.
    - Emergency lighting
      - Emergency lighting provided and installed to illuminate means of egress in the event of a power failure.
      - Lighting shall provide adequate, functional emergency lighting in stairs, aisles, corridors, ramps, and passageways leading to exits, and in other areas as required by applicable laws.
      - Either battery or backup generator may power emergency lighting.
      - Integrity of exit enclosures is maintained
    - Separation:
      - Penetrations are limited to sprinkler pipes, standpipes, and electrical services, pipe and duct installation serving the enclosures
      - openings into the enclosures are protected by fire rated doors
      - fire doors are in good condition, self-closing or automatic closing (upon fire alarm or detection of smoke)
- Note: Auditor should follow at least three randomly routes out of the building to the assembly/muster point.
- Document review:

- Inspection records for emergency support facilities (emergency lighting, emergency exit signs, evacuation paths, portable fire extinguishers, exit enclosures,...) are maintained and show these are inspected as per local legal requirements, insurance requirements, or local practice whichever is stricter.
- Emergency procedure drills are discussed and opportunities for improvement/needs changes are documented and tracked to closure.

**Rating:**

- Priority:
  - No emergency support facilities present or in good operating condition throughout Auditee's facility
  - 2 or more emergency exits are blocked or not easily opened or lacking easy means of egress as defined in Minimum Requirements (e.g. no simple one-step panic hardware or crash bar on exit discharge)
- Major:
  - 1 emergency exit blocked or lacking easy means of egress as defined in Minimum Requirements (e.g. no panic hardware on exit discharge)..
  - Emergency support facilities generally in working conditions with at least 1 exception.
  - Emergency support facilities not inspected as per local legal requirements.
- Minor:
  - All emergency support facilities appropriate, good condition and inspected
  - Inspection records not maintained or incomplete
- Not Applicable: Not applicable

**Remote verification:** Yes unless Priority

**B2.5 Adequate and effective fire and other identified emergency situations and evacuation drills are conducted with all employees, and records are maintained.**

**Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - An adequate and effective emergency evacuation drill program for all workers in every area of the Auditee (including dormitory, cafeteria, warehouse, including includes office areas, productions floors, research and development laboratories, shipping/receiving and warehouse(s) and for all work shifts (including the night shift) Note: Emergency evacuation drills for all areas do not need to take place simultaneously and can be staggered.
  - Frequency:
    - at least an annual drill (or more if legal requirements state so) is in place and implemented.
    - If worker turnover is more than 20 percent since last drill, a new drill is required.
    - Other emergency situation drills may be conducted due to likelihood of occurrence (i.e. severe weather, flood, earthquake, etc.)
  - All drills should be documented, with lessons learned and corrective action plan to improve the emergency evacuation situation.
  - Corrective action plans have been implemented or are on track
  - Records for last 3 years, including CAP and their status are available for review and spot-checked to ensure corrections are being made and implemented

**Rating:**

- Priority: No emergency evacuation drill held in last 2 or more years
- Major:
  - No emergency evacuation drill held in last year or drill was held but not for all areas and all shifts.
  - Drill was held for all areas and all shifts however no corrective actions were determined or documented
- Minor: Corrective actions from last drilled are off track or not being tracked
- Not Applicable: Not applicable

**Remote verification:** Yes

**B2.6 Designated emergency response personnel are provided adequate and effective PPE and training on an annual basis**

**Under this provision, it is expected that the facility will have a designated emergency response team (ERT), and this team will have the appropriate PPE for their emergency response duties defined in A2.3 (Emergency response, business continuity and business resumption plan)**

**Minimum requirements:**

- Site observation:
  - Emergency response PPE is available, adequate and in good condition.
    - Emergency response PPE is clearly marked, visible and easily accessible.
    - Badges, different colored attire/hard-hat, and office/cubicle signage may identify emergency responders.
  - Document review:
    - Emergency response team qualifications, training, minutes of meetings, procedures for notifying response team, contact lists, ... are in place.
    - Workers involved in the control, cleanup and disposal of hazardous materials or other emergency response procedures (e.g. fire fighting), receive regular training on emergency response plans and actions, their responsibilities and equipment necessary to perform the functions of their role.
    - Emergency responders should receive training on: chemical hazards and precautions, spill containment and cleanup, fire hazards and response, proper handling and disposal of chemicals and contaminated absorbent materials, selection and use of protective equipment, other information as required by local regulations.
      - Emergency responders are trained on an annual basis.
      - Training will be dependent on responsibilities during an emergency.
      - Training material and training records are available for review and up to date.
      - Auditee to organize and assign trained workers to form an emergency response team (ERT) at each facility that shall be available during all working shifts.
    - The ERT shall have the obligation and authority to direct the Auditee's response to emergencies to ensure the protection of worker health and safety, the environment, and property. The procedure shall also include a post-recovery program to include the following:
      - Auditee shall investigate or support the investigation by proper authorities, of the cause(s) of any emergencies resulting from human error, equipment malfunction or other causes
      - records of investigations to determine the root cause(s) of emergency situations must be maintained
      - workers shall be informed of the means to avoid similar incidents in the future.

**Rating:**

- Priority:
  - PPE for ERT is not available
  - PPE is not in good condition / working order, sufficient, visible or easily accessible

- No ERT in place
- Major: Missing or incomplete annual training of ERT
- Minor: Incomplete training records
- Not Applicable: Not applicable

**Remote verification:** Yes



### **B3) 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.

#### **B3.1 All required permits, programs, licenses, and testing reports for occupational injury and illness are in place and a process is implemented to ensure permits and licenses are up to date at all times**

##### **Minimum requirements:**

- Site observation:
  - Ensure required postings are current and located in public view.
    - Some signage and information may be required to be posted in employee common/break/cafeteria locations.
  - Document review:
    - Permits: All legally required occupational injury and illness permits are in place, available for review and valid.
    - Licenses: All occupational safety and/or medical licenses are in place and available for review. Examples may include:
      - injury logs
      - respiratory protection
      - hearing conservation programs
      - notice of availability of medical records
      - occupational health professional licenses
    - Testing Reports: Occupational injury and illness testing reports are in place, available for review and meeting the conditions of permits, licenses or legal and customer requirements. Testing is done at a frequency stated in permits, licenses or by customers and does not exceed a period of two year.
    - A document process is in place to ensure permits are renewed before current permits expire. Permit tracking is documented such as a compliance calendar, work-order systems, computer-based e-mail/calendar system.

##### **Rating:**

- Priority: Not Applicable
- Major: Legally required permits, programs, licenses or testing reports missing AND no process to secure and renew as required
- Minor: Legally required permits, programs, licenses or testing reports in place but no process in place to secure and renew as required
- Not Applicable: No permits, programs, license or testing reports required. No testing reports required.

**Remote verification:** Yes

**B3.2 Investigations to determine root cause(s) and implement corrective/preventive actions for work-related injuries/illness in the past three years are performed and documented, communicated to affected employees, and tracked to closure.**

**Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - All reportable and non-reportable accidents are tracked; documented, and investigated to minimize the potential for future occurrence.
  - Injury and illness statistics for last 3 years are available.
  - Review number and type of first aid events, number and type of injuries beyond first aid, and any fatalities.
  - Trend analysis of the statistics is performed on a regular basis, at least annually and corrective actions are taken, tracked and implemented.
  - A system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports.
  - Accident investigation reports, including any resulting corrective actions and verification that corrective actions were implemented.
  - Corrective actions that resulted in new processes, equipment, facilities, etc. have been communicated to affected employees, and required training has been conducted and documented.
  - Include in the surveillance system: documentation including pre-job, on-the-job, post-job, and post-emergency medical surveillance records in place and meet the requirements as per local legislation.
    - If a worker has abnormal medical surveillance results or is injured at the Auditee facility:
      - Worker shall be removed from the current job immediately and offered another position in the facility.
      - Auditee is prohibited from terminating the labor contract with the worker due to the medical surveillance results.
      - Auditee shall provide medical treatment to the worker.
      - Auditee shall provide re-examination to the worker.
      - Auditee shall cover the medical treatment, re-examination, and rehabilitation cost for the worker.
      - Auditee shall implement corrective action plans to mitigate risks.

**Rating:**

- Priority: Not Applicable
- Major:
  - No accidents, injury and illness are tracked or incomplete records for last 2 years.
  - Accidents are tracked but no analysis, investigation or corrective actions.
- Minor:
  - Accidents, injuries, illnesses tracked, analyzed and prevented but no formal procedure
  - Corrective actions are off track
- Not Applicable: No injuries, accidents or illnesses in the past 3 years.

Note: training finding must be reported in B8

**Remote verification:** Yes

**B3.3 An effective first aid process and adequate number of trained first responders are available to provide initial medical treatment for injured or ill workers is in place**

**Minimum requirements:**

- Site observation:
  - First Aid responders are easily identifiable by badges, colored attire, office/work area signage
    - If applicable, an occupational medical clinic is adequately staffed and supplied to respond to injuries
      - If the medical clinic is not open or operated 24 hours per day, alternative resources such as outside medical services are communicated to employees.
  - Document review:
    - A documented response procedure is in place indicating severity of medical emergency and response (first aid, infirmary, local external hospital).
    - Occupational health professionals or first responders are trained from external agencies and valid certificates are available for review.
      - If nurses or doctors are employed or doctor/nurse services are used, a copy of their certificate/license is available and up to date.
    - In-house infirmary or clinic:
      - An operations log of onsite emergency occupational medical clinic is available and up to date (access might be restricted due to privacy laws).
      - Government certifications, permits, inspections, approval for the onsite medical treatment facility is available and up to date, as required by law.
      - Documented procedures and supplies for the onsite occupational medical clinic are available and adequate.
    - In the absence of onsite professional care the facility maintains a team of trained first responders. Injured workers are then sent to off-site medical facilities for further treatment.
    - Training materials and records for affected employees and first responders are available, adequate and up to date.

**Rating:**

- Priority: No medical emergency personnel or procedures
- Major:
  - First aid, occupational medical clinic or first response procedures are inadequate
  - Occupational medical clinic has inadequate supplies, staffing or access

- More than 10 percent of workers have not been trained on reporting injuries/illnesses, and the availability of medical first responders and/or onsite occupational medical clinic.
- Minor:
  - Training on response to injury/illness is in place but less than 10 percent of workers have not been trained on reporting injuries/illnesses, the availability of medical first responders and/or onsite occupational medical clinic.
- Not Applicable: Not applicable

Note: A training related finding must be reported in B8

**Remote verification**: Yes

**B3.4 Adequate first aid kits to provide medical treatment for injured or ill workers are available to employees in designated areas. The kits have adequate supplies and are inspected on a monthly basis.**

**Minimum requirements:**

- Site observation:
  - Appropriate and completely stocked placed /assigned first aid boxes are available in designated locations.
    - First aid boxes are unlocked or if locked, first responder has key at all times.
  - Document review:
    - First aid kits have inventory list and procedure for first aid kit inspection (at least monthly) and a process for restocking is in place.
    - Inspection tracking document is available and up to date.
    - A determination if ALL workers or only first responders can access the first aid kits. This determination has been communicated to all workers.

**Rating:**

- Priority: Not applicable
- Major:
  - First aid kits are inadequate or locked
  - No stated process for access to First Aid kits during all times of operation
- Minor:
  - First aid kits are adequate and stocked but contents list missing
  - First Aid kits inspection tracking records missing
- Not Applicable: Not applicable

**Remote verification: Yes**

#### **B4) 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.

##### **B4.1 All required permits, licenses and testing reports for potential Industrial hygiene exposures are in place and a process is implemented to ensure permits and licenses are up to date at all times**

###### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - All legally required industrial hygiene permits are in place, available for review and valid.
  - An evaluation methodology has been developed and implemented to assess potential employee health risk to onsite chemical, biological or physical agents.
  - Industrial hygiene testing reports are in place, available for review and meeting the conditions of permits, licenses or legally or customer requirements.
  - A health risk assessment with associated industrial hygiene sampling and testing, is completed when a new chemical, biological, or physical agent is introduced into the work environment, or when an existing process is changed that may trigger an employee health risk.
  - Testing is done at a frequency stated in permits, licenses or by customers and does not exceed a period of two years.
  - A document process is in place to ensure permits are renewed before current permits expire. Permit tracking is documented such as a compliance calendar, work-order systems, computer-based e-mail/calendar system.

###### **Rating:**

- Priority: No health risk evaluation process has been implemented.
- Major: Legally required permits, licenses or testing reports missing AND no process in place to secure and renew as required.
- Minor: Legally required permits, licenses or testing reports in place but no process in place to secure and renew as required.
- Not Applicable: No permits or license required. No testing reports required.

**Remote verification:** Yes

## **B4.2 Appropriate controls for worker exposures to chemical, biological and physical agents are implemented**

### **Minimum requirements:**

- Site observation:
  - Controls to reduce or eliminate worker exposure to chemical, biological and physical agents are in place and effective:
    - Engineering controls (e.g. exhaust ventilation, enclosures,...) designed to reduce worker exposures to chemical, biological and physical agents
    - Administrative controls (limiting worker exposure time; job rotation) designed to reduce worker exposures, proper marking of all chemical, biological and physical agents.
- Document review:
  - A documented program to identify, evaluate and control worker exposure to chemical, physical and biological agents including a risk assessment program and annual plan for the facility is in place and up to date.
  - Industrial hygiene sampling records for the past three years, including sampling performed by government agencies as part of a regulatory inspection are available for review.
  - Frequency of sampling is maximum one year unless health risks assessment, change in process or regulatory requirements requires more frequent sampling.
  - Medical surveillance records should be available on respiratory evaluations to determine if worker is being harmed from exposure to agents, on determining hearing loss or any other medical concerns related to specific job activities.

### **Rating:**

- Priority:
  - No risk assessment or control measures are in place.
  - Potential exposures are evident
- Major:
  - Potential exposures have been identified and health risk assessment program is in place but controls are inadequate.
  - Assessments have not been conducted to determine the need for PPE.
- Minor:
  - Potential exposure are controlled and minimized AND Industrial hygiene monitoring program is adequate but documentation and records are incomplete
- Not Applicable: Sampling and testing indicate that there are no potential health risks to worker (therefore exempt from monitoring).

**Remote verification:** No

## **B5) 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.

### **B5.1 Worker exposure to the hazards of physically demanding work is identified, assessed, communicated and controlled effectively**

#### **Minimum requirements:**

- Site observation:
  - Controls to reduce or eliminate physical demanding work (e.g. heavy or repetitive lifting, prolonged standing,...) are in place and effective:
    - Engineering controls (e.g. palletizers, lift tables, adjustable work platforms,...) are designed to reduce physical demanding work
    - administrative controls (limiting worker exposure time; job rotation) are designed to reduce physically demanding work.
- Document review:
  - A documented program to identify, evaluate and control physically demanding work is in place and up to date.
  - Risk assessment:
    - Risk assessment should be completed at least once per year unless regulatory requirements require more frequent assessment. If there are no changes to the facility or work set up, there is no need to re-assess (this “no-change” should be documented).
    - For physically demanding work, risk assessment records for the past three years are available for review.
    - A review and trend analysis of past 3 years of injuries related to physical demands of job duties.
    - Implement, manage and monitor the effectiveness of ergonomic control strategies using:
      - Periodic ergonomic task analyses
      - Key performance indicators that include but are not limited to worker discomfort survey data, worker/supervisor feedback, job-specific turnover rates, and job-specific defect rates.

#### **Rating:**

- Priority: No risk assessment or control measures are in place AND high frequency of physically demanding work is evident
- Major: Physically demanding work has been identified and risk assessment program is in place but controls are inadequate
- Minor: Physically demanding work is controlled and minimized AND physically demanding work monitoring program is adequate but documentation is incomplete
- Not Applicable: No physically demanding work

**Remote verification:** No



## **B6) Machine Safeguarding**

Production and other machinery shall 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.

### **B6.1 All required permits, licenses and testing reports for machinery are in place and a process is implemented to ensure permits and licenses are up to date at all times**

#### **Minimum requirements:**

- Site observation:
  - Some signage and information may be required to be posted in employee common/break/cafeteria locations.
    - Required postings are current and located in public view.
  - Document review:
    - All legally required machine safety permits are in place, available for review and valid.
    - All machine safety licenses are in place and available for review.
    - Machine safety testing and evaluation reports are in place, available for review and meeting the conditions of permits, licenses or legal requirements.
    - Testing is done at a frequency stated in permits, licenses or by law and does not exceed a period of two years.
    - A documented process is in place to ensure permits are renewed before current permits expire such as a compliance calendar, work-order systems, and computer-based e-mail/calendar system. Permit tracking is documented.

#### **Rating:**

- Priority: Not Applicable
- Major: Legally required permits, licenses or testing reports missing AND no process in place to secure and renew as required
- Minor: Legally required permits, licenses or testing reports in place but no process in place to secure and renew as required
- Not Applicable: No permits or license required. No testing reports required.

#### **Remote verification: Yes**

### **B6.2 An adequate and effective machine-safeguarding program is implemented, and workers operate machinery safely**

#### **Minimum requirements:**

- Site observation: All machines have adequate safeguards, emergency stops and operators operate machine safely. Machinery pinch points, points-of-operation, rotating shafts, flywheels, chain drives, motor-driven movement, ... are guarded against potential exposures.
- Document review:
  - Auditee has documented procedures for a machine-safeguarding program including:

- Machine risk assessment program provides a method to identify machine safeguarding needs (pre-purchase/pre-installation hazard review of all machinery.)
- Appropriate method is used to ensure that safeguarding is installed as needed to control the identified hazards,
- Regular inspection and maintenance of machine and its safeguards and emergency stops.
- Machine and safeguard inspection and **preventive** maintenance records are available, adequate and up to date. Workers are trained on machine safety and the use of safeguards and emergency stops.
- Work instructions (if necessary or required) are available in a language understood by the worker at machine (or within proximity). Safe machine operation documentation is in place and available.

**Rating:**

- **Priority:** Worker operate machine unsafely with immediate risk of life or limb
- **Major:** Worker operate machine unsafely without immediate risk of life or limb, procedures are developed but not adequate and/or not in the native language of the worker
- **Minor:**
  - Workers operate machine safely but work instructions are incomplete
  - Machine safe guarding program is in place but incomplete
- **Not Applicable:** No physical machine hazards

**Remote verification:** Yes, if minor.

## **B7) Food, Sanitation 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 Auditee 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.

### **B7.1 All required health & safety licenses, permits, registrations and certificates related to food, sanitation and housing are in place and an adequate and effective process is established to ensure permits and licenses are up-to-date at all times**

#### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Permits: All legally required food, sanitation and housing permits are in place, available for review and valid.
    - Rented apartments must be permitted by the local government.
  - Licenses: All food, sanitation and housing licenses are in place and available for review. Food, sanitation and housing testing reports are in place, available for review and meeting the conditions of permits, licenses or legal/customer requirements.
  - Health Certificates: Canteen/kitchen workers have valid health certificates. If local regulations require food worker health inspections or other tests or certificates these are available and valid.
  - Testing and Reports: Drinking water testing reports are available for review and drinking water is tested on a regular basis (minimum every two months or the local regulatory requirement, whichever is stricter). Drinking water testing is not required if local water utility company can attest water meets WHO or equivalent standard (proof must be available on site).
  - Testing is done at a frequency stated in permits, licenses or by customers and does not exceed a period of two years.
  - A documented process is in place to ensure permits, licenses and certificates are renewed before current permits expire. Permit licenses and certificates tracking is documented.

#### **Rating:**

- Priority: Not Applicable
- Major:
  - Legally required permits, licenses or testing reports missing AND no process in place to secure and renew as required;
  - Canteen/kitchen worker certificates are missing or expired
- Minor: Legally required permits, licenses or testing reports in place but no process in place to secure and renew as required
- Not Applicable:
  - No permits or license required
  - No testing reports required
  - There is no dormitory, restaurant/canteen at the facility.

**Remote verification:** Yes

**B7.2 Dormitories, bathrooms, employee spaces are clean, safe and well-maintained and meet international housing standards**

**Minimum requirements:**

- Site observation:
  - Dormitory and sanitary facilities (common areas, hallways, rest rooms,...) are clean and properly maintained.
    - Clear, well lit stairwells to allow for safe exit from dormitories
    - An adequate number of exits from each floor with the exit doors accessible and well marked and unlocked are available. Doors may be locked only if panic hardware, such as crash bars, is used.
    - Building is heated in the winter (if applicable). Windows provide light and ventilation.
    - Adequate lighting (Lighting is adequate for reading, writing and other off-work activities) and safe and sufficient electricity sockets are provided.
    - Lodging and cooking facilities are separate
    - Adequate fire and heat detection, alarm and notification and fire suppression systems are in place.
    - Adequate domestic waste disposal facilities and pest control measures in place.
    - Adequate number of first aid boxes is available.
    - Sufficient space is available for each worker and individual lockers for private secured storage are available.
    - All facilities are separated by gender and adequate in number.
  - Document review:
    - A cleaning and sanitation program is in place. Sanitation program tracking records are available and up to date.
    - A pest control program is in place and pest control log is available for review and up to date.
    - A preventive maintenance program (including emergency response supporting facilities) is in place with tracking records available and up to date.

**Rating:**

- **Priority:** Dormitory/Apartment is unsafe with immediate risk of loss of facility, life or limb
- **Major:**
  - Dormitory and sanitary facilities are unclean or do not minimum requirements (except documentation)
  - Rented apartments are unsafe
  - Rented apartments did not have a risk assessment or inspection
  - No training of rented apartment occupants.
- **Minor:**
  - Dormitory and sanitary facility are safe, clean and adequate but procedures or records are missing or incomplete.

- Rented apartments are safe, clean and adequate but there is training records of occupants are missing.
- Not Applicable: No dormitory.

**Remote verification:** No

Note: A training related finding must be reported in B8

### **B7.3 Canteens (cafeterias) are clean, well maintained, and managed in compliance with local health regulations**

#### **Minimum requirements:**

- Site observation:
  - Canteen and kitchen are clean and well maintained.
    - Food storage:
      - Food storage and preparation areas are clean
      - Food is stored properly (not on the floor; refrigerated if necessary)
        - Raw and cooked food stored separately, food kept covered, etc.
      - Food is used or disposed of before the marked expiration date
    - Exits must be adequate for the number of workers served.
    - Food service workers wear masks, hairnets and gloves as necessary to prevent food contamination.
    - Canteens are provided with adequate hand washing facilities.
    - Pest control is effective.
  - Document review:
    - Records of canteen and kitchen cleaning, disinfecting and/or pest control are available and up to date.
    - If local regulations require facility health inspections or other tests or certificates, these are available and valid.
    - Regular monitoring and reporting of safe food handling procedures/hygiene
    - Safe food handling procedures and hygiene standards (in refrigeration, storage, and preparation areas) are in place and followed.

#### **Rating:**

- **Priority:** Canteen and kitchen is unsafe with immediate risk of loss of facility, life or serious injury
- **Major:** Canteen and kitchen are unclean or do not meet minimum requirements on canteen/cafeteria standards
- **Minor:** Canteen and kitchen are safe, clean and adequate but procedures or records are missing or incomplete
- **Not Applicable:** No cafeteria or food services.

#### **Remote verification:** No

## **B8) Health and Safety Communication**

Participant shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility.

Note: All relevant health and safety training for health and safety provisions of the EICC code should be evaluated under B8 – see notes to other provisions in section B.

### **B8.1 Health and Safety information (including training) is clearly communicated to workers**

#### **Minimum requirements:**

- Site observation: Health and Safety communication clearly posted in the facility in the language(s) understood by workers
- Document review:
  - Training:
    - H&S training needs analysis is conducted and is documented
    - A training matrix has been developed following the training needs analysis
    - A training plan is in place, building on the training matrix
    - A training program with materials and training records is in place, adequate and up to date.
    - Training program is up to date and maintained through a compliance calendar, work-order systems, and computer-based e-mail/calendar system.
      - Refresher training schedules are established and implemented as per schedule
    - Training records include a verification of training effectiveness (demonstrate that workers have understood training and aims of training are achieved (through a post-training test, or worker interviews on the training))
    - Training must be in a language understood by the worker
  - Communication:
    - A formal communication program to workers/employees is in place which includes at least:
      - Hazard communication procedure: all hazards present at the site and action promoting of an H&S work place.
      - Updates should be made whenever new operations are added in the facility
    - Communication must be in a language understood by the worker.

#### **Rating:**

- Priority: No training and/or communication program in place
- Major: Training and communications program in place but major hazards or program components missing
- Minor: Training and communications program in place but communications is not updated in accordance with developed schedule or training records/verification incomplete
- Not Applicable: Not Applicable

Note training finding on:

- ERT member training must be reported in B2.6 and
- First responder training in B3.3

**Remote verification:** No



## C. ENVIRONMENT

For facilities with significant EHS risks an EHS expert Auditor will be added to the audit team for an expert review of these policies, programs, and performance. For more on the EHS expert auditor, see Chapter 6. Audit Team.

### C1) 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.

#### C1.1 The facility has obtained all the legally required environmental permits, approvals, licenses and registrations

##### Minimum requirements:

- Site observation:
- Review operations to determine any unidentified impacts to:
  - air emissions
  - wastewater discharge
  - storm water exposure
  - hazardous materials storage and use
  - generation of waste (solid and hazardous)
- Document review:
  - Permits: All legally required environmental permits, approval and registrations are in place, available for review and valid.
  - Licenses: All environmental licenses are in place and available for review.
  - Permits: All environmental permits are in place and available for review.
  - Any alteration that may change the status of registration and permitted hazardous-waste generation to the appropriate local and national regulatory agencies
  - A document process is in place to ensure permits are renewed **before** current permits expire. Permit tracking is documented and is accomplished via a compliance calendar, work-order systems, computer-based e-mail/calendar system.

##### Rating:

- Priority: Not Applicable
- Major: Legally required permits, approvals, registrations and licenses missing AND no process in place to ensure permits are in place and renewed timely
- Minor: Legally required permits, approvals, registrations and licenses in place but no process in place to guarantee timely renewal
- Not Applicable: No permits, approvals, registrations or license required.

Remote verification: Yes

## **C1.2 Reporting to environmental authorities as required by law is performed in a timely manner.**

### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - A documented process is in place to ensure that reports are submitted before or on due date is in place. Report tracking is documented, adequate and available.
  - All legally required environmental reports for last 3 years are available for review and meet legal requirements.

### **Rating:**

- Priority: Not Applicable
- Major: Legally required reports missing, incomplete AND no process in place to ensure legally required reports are submitted in a timely manner.
- Minor:
  - Legally required reports submitted but no process in place to ensure legally required reports are submitted in a timely manner
  - Legally required reports submitted in a timely manner but incomplete
- Not Applicable: No environmental reporting required.

**Remote verification:** Yes

## **C2) Pollution Prevention and Resource Reduction**

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

### **C2.1 Established adequate and effective programs, including objectives and targets, to Identify, manage, and mitigate the impact of wastes of all types**

#### **Minimum requirements:**

Note: specific requirements associated with several resource use and waste generation sources are covered in other sections of this audit protocol. The goal of this provision is to confirm that a facility has done a materiality assessment and understands its materials resource use and waste generation impacts, and has developed an overall program to identify, manage and mitigate these impacts.

- Site observation: Not applicable
  - Document review:
    - Written policies, processes, and requirements for environmental protection and pollution prevention/source reduction are in accordance with laws, regulations, and standards are in place.
    - Programs should include at minimum the following elements:
      - Materiality assessment: identify significant environmental aspects and establish programs for monitoring and control of these aspects.
      - Baseline – understanding of current resource use and consumption/waste generation for each material category
      - A system to monitor resource use and waste generation on a regular basis (at least annually)
      - Regular reviews are conducted to identify improvement opportunities (at least once per year).

#### **Rating:**

- Priority:
  - No control or improvement programs in place.
  - Environmental emissions are evident that could cause imminent negative impact on the community (toxic air and water emissions, untreated waste water release, chemicals spill on hazardous substances released outside the facility,..)
- Major:
  - No assessment of resource use and waste generation has been completed
  - No baseline or program to control or drive improvement plans is in place but no imminent community hazard
- Minor:
  - Some control programs in place
  - Improvement plans exist but are incomplete
- Not Applicable: Not applicable

**Remote verification:** Yes

### **C3) 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.

#### **C3.1 Hazardous substances including wastes are properly categorized, labeled, handled, stored, transported and disposed using government-approved and/or licensed vendors as per local laws.**

##### **Minimum requirements:**

- Site observation:
  - Hazardous substances are categorized, handled, stored and transported within the facility.
    - To control access or potential employee exposure methods such as segregation, secondary contained, ventilation, fire protection, appropriate storage cabinets, hazard signage and information (labels and MSDS), limited access,... have been implemented throughout the site
  - Document review:
    - Documented procedures for reception, storage, dispensing, use, return and disposal are available and adequate. A written program shall be established to track, review, and approve the use of all hazardous chemicals and shall obtain approvals for all new purchases of hazardous chemicals prior to use.
    - Auditee shall ensure that its selection processes for all new hazardous chemicals include a thorough evaluation of less hazardous or non-hazardous alternatives.
    - Auditee shall maintain accurate chemical inventory records.
    - Inspection records of hazardous substances and their points of storage and use are maintained and complete.
    - Auditee shall implement a detailed chemical storage and handling procedures.
    - If any area of improvement is noted, a corrective action plan is in place, monitored and completed. If the corrective action plan is off track actions are taken to complete it within the assigned due date.
    - Hazardous material information (labels and MSDS) is available at the points of use and storage in the native language of the worker.
    - Documents proving Auditee uses only vendors approved and/or licensed by the local regulatory authorities for transporting and disposing of hazardous waste.
      - Current copies of all hazardous waste vendor licenses and/or approvals are on file. A process to ensure the licenses are periodically reviewed and are current is in place.
    - Copies of hazardous substances inventory, manifests and shipping papers are maintained on file for last 3 years or the time period stipulated by local laws legal requirements. These may be related to:
      - Air emissions;
      - Process wastewater discharge;
      - Hazardous materials storage and use; and
      - Generation of hazardous waste.

##### **Rating:**

- Priority: Hazardous substances (including wastes) are used, handled, stored or disposed of in a manner that could result in imminent loss of facility, life or create severe bodily damage.
- Major: Hazardous substances (including wastes) are used, handled, stored or disposed of in a systemic way but 2 or more minimum requirements are not implemented
- Minor: Hazardous substances (including wastes) are used, handled, stored or disposed of in a systemic way but the documentation is incomplete
- Not Applicable: No hazardous substances (including wastes) used or stored on site.

**Remote verification:** Yes

### **C3.2 Workers who work with hazardous substances are provided adequate and effective training.**

#### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Training material and training records are available, adequate and up to date on hazardous chemicals (including waste) use, handling, storage and disposal.
  - Workers responsible for storage, clean up or disposal of chemical releases should receive specialized training.

#### **Rating:**

- Priority: Not Applicable
- Major: No training provided on hazardous chemicals (including waste) use, handling, storage and disposal
- Minor: Adequate training is provided but documentation is incomplete or annual specialized refresher is lacking
- Not Applicable: No hazardous chemicals (including waste) used, handled or stored on site or disposed.

**Remote verification:** Yes

**C3.3 Hazardous waste disposal supplier(s) have been assessed to verify that waste is handled, stored and disposed of in accordance with local regulations, permit conditions and contract requirements.**

**Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - A hazardous waste generation procedure is implemented and includes the following:
    - A waste-minimization plan to assess on-site hazardous waste generation and to identify opportunities to minimize hazardous waste.
    - A periodic Audit to evaluate whether the vendor (hazardous waste handler AND transporter) is complying with: contract terms and conditions, and local legal requirements
      - Assessments, visit minutes or Audit reports, with possible areas for improvement are available.
      - The reports should not be older than 2 years.
      - If corrective or improvement actions are identified, then implementation is monitored and actions are completed or on track.
      - If corrective actions are off track then additional actions are identified to ensure corrective actions are completed by due date.
      - The Audit should include an on-site visit by the supplier or a recognized third party to verify compliance.

**Rating:**

- Priority: Not Applicable
- Major: No on site audit and/or assessment of hazardous waste disposal handler or transporter was performed in the last 2 years
- Minor: On site audit and/or assessment of hazardous waste disposal handler or transporter was performed in the last 2 years but documentation is incomplete or corrective action are missing / off track
- Not Applicable: No hazardous chemical waste generated or stored on site.

**Remote verification: Yes**

#### **C4) Wastewater and Solid Waste**

Participant shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). 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. In addition, measures should be implemented to reduce generation of wastewater. Participant shall conduct routine monitoring of the performance of its wastewater treatment systems.

##### **C4.1 Solid waste is identified, managed, minimized, and responsibly disposed of or recycled in accordance with applicable legal requirements**

###### **Minimum requirements:**

- Site observation:
  - Wastes are identified, categorized, handled, stored and transported within the facility adequately, e.g. segregation, secondary contained, ventilation, fire protection, appropriate storage materials, hazard signs and information (labels and MSDS), limited access, ...
    - Re-use and recycling programs are visible within the facility.
  - Document review:
    - Auditee shall have a systematic approach to minimize, responsibly dispose of, or recycle its non-hazardous waste.
    - Facility has a recycling policy or program, has identified materials it can recycle (given the existence of local recycling programs and waste hauling companies that can provide recycling services), and is tracking recycled materials alongside of waste disposal manifests. Program has:
      - goals for reduction/reuse
      - track progress of efforts
      - corrective action in place if facility is not on track to achieve waste reduction and recycling goals
    - Waste information (labels and MSDS) is available at the points of storage in the native language of the worker.
    - Inspection records of waste and their points of storage are maintained and complete. If any area of improvement is noted a corrective action plan is in place, monitored and completed. If the corrective action plan is off track, then actions are taken to complete it within the assigned due date.
    - Copies of waste inventory, manifests and shipping papers are maintained on file for last 3 years or the time period stipulated by local laws legal requirements.
    - A process to ensure that licenses are periodically reviewed and are up to date is in place.
    - Documents prove that Auditee uses only vendors approved and licensed by the local regulatory authorities for transporting and disposing of waste. Copies of all waste vendor licenses/approvals are on file.

###### **Rating:**

- **Priority:** Waste is managed or disposed of in conditions that could pose an imminent risk to facility, life, limb or could cause significant impact on the community
- Major:



- Waste is managed or disposed of in a systemic, appropriate and legal way but 2 or more minimum requirements are not implemented.
  - No waste reduction or recycling programs are found at the facility (in regions where the opportunity to recycle exists).
- Minor:
  - Waste is managed and disposed of in a systemic, appropriate and legal but the documentation is incomplete.
  - Facility has not made progress towards waste reduction or recycling goals (or has not set these goals).
- Not Applicable: No solid was generated or stored on site.

**Remote verification:** Yes

**C4.2 Effluent discharges (industrial/process wastewater and sewage) are managed to prevent water pollution, meet the discharge limits for regulated constituents and wastewater treatment systems are routinely monitored for performance**

**Minimum requirements:**

Wastewater includes industrial wastewater and domestic wastewater. Storm water is covered in C6.

- Site observation:
  - Industrial and/or sanitary wastewater is treated in accordance with local laws and permit requirements.
  - Wastewater is discharged to a municipal treatment system or to surface water (if allowed by local laws and regulations).
  - Equipment such as tanks, piping, and storage vessels are compatible with the waste materials being stored and transported.
  - Wastewater treatment system is in operation and appears based on visual inspection to be operating effectively.
- Document review:
  - Untreated process wastewater shall not be discharged into the surrounding environment (except as and if permitted by applicable laws and regulations)
  - Documented procedures for waste water storage; treatment and discharge per local legislation are adequate, available and up to date.
  - All process wastewater streams is identified and characterized
  - A process wastewater stream inventory is maintained. The inventory shall:
    - Include the composition of each process wastewater stream
    - Volume of each process wastewater stream
    - Shall be revised after any alteration likely to affect process wastewater
    - Shall be reviewed annually
  - Appropriate process wastewater treatment systems are installed and maintained that minimize the pollutant contribution of each of its facilities to levels compliant with applicable laws and regulations and include:
    - A routine preventive maintenance program
    - System efficiency monitoring program
    - A program to evaluate the integrity of existing process wastewater collection systems is established to:
      - regularly test of the process wastewater system
      - correct any identified deficiencies immediately
    - Adequate documentation on program and tracking records are available
  - Emergencies response actions are implemented in case the on-site process wastewater treatment system exceeds its capacity or if it malfunctions.
  - Test results are available showing compliance with the legal and permit requirements.
    - These results cannot be older than 2 years.
    - Monitoring and reporting records from the past 5 years are available for review, in line with legal requirements, and are complete.

- If Nonconformances have been noted in the past, a root cause and corrective action to address the Nonconformance is in place.
  - Auditee shall identify a specific individual or individuals within the facility organization who will be responsible for all aspects of process wastewater discharge treatment including: maintenance and inspection of WWTP; monitoring of process wastewater discharge; and responding to emergencies.
    - Training materials and training records for workers responsible for operating and maintaining wastewater treatment systems are available, adequate and up to date.
  - Auditee shall have a wastewater reduction program in place, with strategies to minimize wastewater generation. Program should have:
    - Goals for reduction/reuse,
    - Track progress of efforts
    - Corrective action in place, if not on track, to achieve wastewater reduction goals.

**Rating:**

- Priority: Untreated wastewater is released which can cause an imminent risk to health and safety in the greater community
- Major:
  - Wastewater is untreated and/ or not complying with legal discharge requirement.
  - Workers responsible for operating and maintaining wastewater treatment systems are untrained.
  - Monitoring is not carried out on a regular basis.
- Minor:
  - Waste water is in compliance with legal requirements but testing is not done a regular basis
  - No program to minimize wastewater generation is in place
- Not Applicable: No wastewater generated or stored on site.

**Remote verification:** Yes

## C5) 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, routinely monitored, controlled and treated as required prior to discharge. Participant shall conduct routine monitoring of the performance of its air emission control systems.

**C5.1 Air emissions have been identified, characterized, routinely monitored, controlled, and treated prior to discharge, meet the discharge limits for regulated constituents, and air emission control systems are routinely monitored for performance.**

### **Minimum requirements:**

- Site observation:
  - Auditee treats air emissions in accordance with local laws and permit requirements.
  - Air emission control systems are identified (if applicable).
- Document review:
  - Auditee shall develop and maintain an air emissions source inventory:
    - Written records of air emissions
    - Communications on emissions with external parties, including but not limited to community groups, regulatory agencies, and local authorities.
    - Revise the inventory after any changes to the production or process that are likely to affect air emissions
  - Appropriate air emissions–control devices for regulated air emissions are installed and maintained:
    - All control plans must be approved or accepted by all applicable regulatory agencies
    - A routine preventive maintenance program
    - System efficiency monitoring program
    - Adequate documentation on program and tracking records are available
    - If Nonconformances have been noted in the past, a root cause and corrective action to address the Nonconformance is in place.
  - Auditee shall implement emergency preparedness and response actions in the event of any air emissions–control system malfunctions, failures, maintenance, and/or modifications.
  - Upon receipt of any community complaints, Auditee:
    - Conducts air emissions monitoring to verify the air-emissions status and implement corrective actions, if any, in a timely manner
    - Notifies all appropriate regulatory and other agencies as required by applicable regulations if an unusual environmental event occurs
  - At least annual (or more frequent if required by local law) monitoring and reporting records from the past 5 years are available for review, in line with legal requirements and complete.
    - At least three annual analytical test results showing compliance with the legal and permit requirements are available. These results cannot be older than 2 year.

- Training materials and training records for workers responsible for operating and maintaining air emissions treatment systems are available, adequate and up to date.

**Rating:**

- Priority: Untreated air emissions are released which can cause an imminent risk to community
- Major:
  - Air emissions are untreated or not complying with legal discharge requirement
  - Workers responsible for operating and maintaining air emission treatment systems are untrained
  - Monitoring is not carried out on a regular basis
- Minor: Air emissions are in compliance with legal requirements but testing is not done a regular basis
- Not Applicable: No air emissions - site does not have legal requirements for air emissions.

**Remote verification:** Yes

## C5.2 Environmental noise levels are within regulatory limits

### **Minimum requirements:**

- **Site observation:** No excessive boundary noise is observed
- Document review:
  - Boundary noise sources are identified, evaluated, routinely monitored and controlled as per applicable regulations.
  - Boundary noise levels are evaluated on an annual basis, upon changes to “Receiving Land Use Category” in the neighborhood of the facility, or if there are any community noise complaints and boundary noise–level criteria are set accordingly.
  - Appropriate boundary-noise-control devices are installed and maintained to control boundary noise levels per applicable regulations. At least annual (or more frequent if required by law) monitoring and reporting
    - records from the past 5 years are available for review, in line with legal requirements and complete.
    - If Nonconformances have been noted in the past, a root cause and corrective action to address the Nonconformance is in place.
  - At least three test results showing compliance with the legal and permit requirements are available

### **Rating:**

- **Priority:** Not applicable
- **Major:** Environmental noise is not complying with legal requirements.
- **Minor:** Environmental noise is in compliance with legal requirements but testing is not done a regular basis
- **Not Applicable:** Site does not have legal requirements on environmental noise

**Remote verification:** Yes

## C6) Materials Restrictions

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

### **C6.1 An effective program is in place to meet legal and customer requirements for Materials Restrictions as a formal part of the procurement and manufacturing processes including effective procedures and records to measure and/or document the chemical composition of products.**

#### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Legal and customer Material Restriction requirements are managed through a formal program including how materials, packaging and components are procured.
  - The formal program needs to include:
    - A documented review process for comparing customer requirements to own specifications and procedures to ensure they are in conformance with customer requirements
    - Random analytical testing of products/components. Testing methods comply with applicable standards (e.g. IEC 62321), regulations and customer requirements
    - Documented requirements for conformance with the Material Restrictions required to its material /parts suppliers
    - Obtain specifications, statements and/or certificates of conformance from its suppliers
    - Require analytical data from its material/parts suppliers, and the data is available for customer review
    - Provide statements and/or certificates of conformance and analytical data to its customers upon request
    - At least annual (or more frequent if local law requires) audits and assessments of the procedures are performed to verify conformance.
  - A formal process is in place to address discovery of non-compliant materials or components and corrective actions are tracked, implemented. If corrective actions are not on track, additional actions are taken to ensure completion at due date.
  - Monitoring & reporting records from the past 10 years pertaining to Material Restrictions conformance to legislation, regulation and customer requirements are complete and available

#### **Rating:**

- **Priority:** No program is in place AND product has been subject to customer or regulatory action
- **Major:** No program is in place or formal program in place with 2 or more of the minimum requirements missing

- Minor: A formal program is in place but is incomplete or documentation is incomplete/outdated. Test results, audits reports or certificates are available but incomplete
- Not Applicable: Site is not subject to any legal requirements or customer demands on this topic.

**Remote verification:** Yes



## **C7) Storm Water Management**

Participant shall implement a systematic approach to prevent contamination of storm water runoff. Participant shall prevent illegal discharges and spills from entering storm drains.

### **C7.1 Adequate and effective procedures are in place to prevent storm water contamination and prevent discharges and spills from entering storm drains.**

#### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Auditee shall identify potential pollutant sources that might affect storm water runoff:
    - Prepare a list and description of potential spills and leaks that could contribute pollutants to storm water discharge, and specify which outlets are likely to be affected
    - Prepare a list and description of past spills and leaks in the previous 3 years that occurred at areas exposed to storm water, or that drained to the storm water drainage system
    - Prepare a list of non-storm water discharges and eliminate any unauthorized non-storm water discharges
    - Prepare a list of areas of industrial activities exposed to storm water and its pollutant constituents
  - Auditee shall select effective structural controls and non-structural controls to prevent storm water pollution as part of its Storm Water Pollution Protection Plan (SWPPP):
    - A facility map that includes outlines of storm water drainage areas; locations of nearby bodies of water; location of storm water collection and conveyances systems; outline of impervious areas of the facility; location of where materials are exposed to precipitation
    - Conduct periodic monitoring of its storm water discharges per applicable regulations.
    - Monitor storm water discharges to evaluate the effectiveness of control measures at the facility to minimize or eliminate pollutants from storm water runoff
    - At least one employee responsible for coordinating all facility storm water-related emergency response and reporting activities;
    - A system in place that can immediately close a storm water drain outlet discharging outside the facility boundary if there is a hazardous substance spill released to the storm water drainage system;
  - Auditee shall conduct one comprehensive annual evaluation of its storm water control measures that includes the following:
    - An evaluation of visual observations and sampling/analytical data.
    - A summary of inspections specified in the Storm water Pollution Prevention Plan (SWPPP).
    - Incident reports and corrective action tracking results.

#### **Rating:**

- Priority: No program is in place AND clear potential for storm water contamination that can potentially cause significant community impact
- Major: No program is in place or formal program in place with 2 or more of the minimum requirements missing
- Minor: A formal program is in place but incomplete or documentation is incomplete/outdated.
- Not Applicable: Not Applicable

**Remote verification**: No

## **C8) Energy Consumption and Greenhouse Gas Emissions**

Energy consumption and greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Participants are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

### **C8.1 Energy consumption and Greenhouse gas emissions are tracked and documented**

**Minimum requirements:** Facilities are expected to track and report on any significant on-site generation, purchased electricity, fuel consumption, and renewable energy that is produced or consumed on-site.

- Site observation:
  - There are no significant energy consumption or greenhouse gas emissions at the facility that are not tracked and documented, such as on-site combustion (incinerators, diesel generators, burning of waste on-site), purchased electricity (un-metered electricity consumption at the facility), significant leakage of refrigerants (from HVAC units or other refrigeration equipment), or other greenhouse gas-generating production processes (CFCs and HFCs from solvents and foams, for example).
- Document review:
  - Annual consumption/use of the following greenhouse gas emission sources are tracked and documented:
    - On-site combustion (direct emissions of greenhouse gases, primarily from burning fossil fuels on-site (oil, coal, diesel, natural gas, propane, garbage, ...). Copies of records of total quantity of fuel combusted on-site over the previous calendar year should be available for review, or should be easily extrapolated from fuel bills and other purchased fuel records.
    - Purchased electricity (metered by the local utility – facility should be able to produce electricity bills or meter readings that show monthly and annual electricity consumption at the facility.
    - Fuel consumed by facility-owned vehicles – facility should have documentation of gas/diesel/ethanol/propane purchased for facility-owned vehicles (truck, car, bus, forklift, airplane, ..... ) by total purchased and by fuel type.
    - Renewable energy use – facility should be able to track renewable energy consumption by type and total amount consumed (kWh, therms, ...). If facility purchases renewable energy through their utility company, this should be documented as well. Renewable energy generation and/or purchases should be tracked separately from other energy sources, and not included as an offset to minimize on-site combustion or purchased electricity totals.
    - Other material energy or greenhouse gas emissions sources: If facility has other major emissions sources (release of CFCs or SF6 for example), they are tracked at the facility level (by consumption and greenhouse gas emissions).

- Documentation is available showing how energy and other greenhouse gas sources are converted into greenhouse gas emissions using internationally accepted greenhouse gas protocol. If greenhouse gas emissions are not tracked at the facility level, facility can provide documentation of greenhouse gas emissions tracking at the corporate level that includes all of the facilities relevant on-site greenhouse gas-producing sources.

**Rating:**

- **Priority:** Not applicable
- **Major:**
  - Energy and fuel consumption data is not tracked, or significantly incomplete.
  - No GHG emissions data is available for the facility or company.
- **Minor:** Facility and company have energy consumption data but do not calculate their GHG emissions
- **Not Applicable:** Facility does not directly pay for fuel or electricity (energy consumption is paid for and managed by building owner, and not reported to company. For example, if company is tenant in fully serviced leased building, it is expected that company will at least make a good faith effort to obtain this data, or effectively estimate for the purposes of GHG reporting.

**Remote verification:** Yes, unless significant energy consumption or greenhouse gas emissions that are not documented are discovered on-site.

## **C8.2 Cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions are implemented.**

### **Minimum requirements:**

Facility has identified opportunities to improve energy efficiency and minimize energy consumption and GHG emissions.

- Site observation:
  - Technology or management strategies to minimize energy consumption and GHG emissions are visible. This could include:
    - Building automation technology, programmable thermostats, lighting controls, or energy-efficient heating, cooling, lighting, and ventilation technology
    - Use of on-site combustion or vehicles that are fuel efficient, or use a less GHG--intensive source (natural gas, electric, cellulosic ethanol, ...).
    - Purchasing or installing on-site renewable energy
    - Use of high-efficient collection/treatment systems to absorb/treat cleaning agents
    - Use of refrigerants with low GWPs in HVAC systems
- Document review:
  - Adequate and effective program to improve energy efficiency and GHG emissions is in place, including tracked and documented energy reductions as a result of these actions.
  - Procedures to effectively manage energy consumption (may include a “start-up, shut-down” procedure for the facility, staging for boilers and chillers, ...) are implemented.
  - Annual targets on energy and GHG reduction and performance against the targets is measured, documented, and corrective actions are in place if progress towards targets is off-track.
  - The programs must be structured with roles and responsibilities, written procedures, targets, monitoring and reporting.
  - Regular reviews are conducted to identify improvement opportunities (at least once per year).
  - Specific training may also be required for those workers operating and maintaining energy and fuel-consuming operations.

### **Rating:**

- Priority: Not applicable
- Major: Company has made no discernable effort to identify opportunities to minimize energy consumption and GHG emissions.
- Minor: Company has made some investments or plans to improve energy efficiency and GHG emissions, but has not documented these energy and GHG emissions reductions.
- Not Applicable: Company does not pay for fuel or energy consumed on-site.

**Remote verification:** Yes

## D. ETHICS

### D1) Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Participants shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement. All business dealings should be transparently performed and accurately reflected on Participant's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

**D1.1 No identified risk that Employees/Workers who refuse to participate in bribery, corruption, extortion and embezzlement or who have declared conflicts of interest do not suffer demotion, penalty or other adverse consequences even if this action may result in the enterprise losing business.**

#### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - A formal policy on highest integrity business standards and zero tolerance on all forms of bribery, corruption, extortion and embezzlement is in place.
  - A formal procedure that encourages workers/employees to declare conflicts of interest is in place..
    - Declarations of conflict of interest are recorded.
    - A formal procedure is available to protect workers/employees from retribution for refusing to do anything in Nonconformance with the ethics policy and communicate/volunteer their decision.
  - The statistical sample of personnel files, leave records and disclosure records confirms no negative consequence for any worker/employee refusing to do anything in Nonconformance with the ethics policy and communicate/volunteer their decision or their declared conflict of interest.
  - Training for 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.

#### **Rating:**

- **Priority:** Confirmed case of bribery, corruption, extortion, or embezzlement not investigated or without corrective action plan
- **Major:** No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- **Minor:**
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- **Not Applicable:** Not applicable

**Remote verification:** No

## **D2) No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.

### **D2.1 No identified risk of bribes or obtaining undue or improper advantage being promised, offered, authorized, given or accepted. Appropriate investigations and sanctions occur when there is an alleged violation.**

#### **Minimum requirements:**

If labor agents are used, then these procedures also need to be implemented at the labor agent level. Indirect workers should know both the Auditee's and labor agent's procedures on bribes or other means of obtaining undue or improper advantage.

- Site observation: Not applicable
- Document review:
  - Adequate and effective procedures are in place 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.
  - Facility has a program to regularly monitor its business to ensure:
    - Workers or agents 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 or Auditee 's agent are carried out and action is taken (depending outcome of investigation, including preventative action).
    - Records of such cases are available; clearly show investigation methods, objective data and testimony, decision and actions are in line with disciplinary procedure if individual has not followed ethics policy
  - Training material for management, supervisors and workers is available, and training records are available, adequate and up to date. Annual refresher training is held for all managers, supervisors and workers.

#### **Rating:**

- Priority: Confirmed case of bribery or improper advantage not investigated or without corrective action plan
- Major: No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- Minor:
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- Not Applicable: Not applicable

#### **Remote verification: Yes**

### **D3) Disclosure of Information**

Information regarding participant labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable.

#### **D3.1 No identified risk of misreporting, record falsification, or misrepresentation**

##### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Inspection/assessment/Audit procedure is in place to ensure records are not falsified and accurate. Unintentional errors are out of scope for this question.
  - Procedures exist to prevent and investigate misrepresentation by workers, managers and their agents.
  - Good accounting policies, procedures, and record keeping verified through an annual periodic third party financial audit to confirm that accounts are in order.
  - A system of internal controls to ensure the accuracy of information is in place. Government reporting as per legal requirements is done timely and reports are complete.
  - Financial and annual reports about the Auditee's business operations are available completed in accordance with applicable legal requirements and good industry practice

Note: Auditors will cross check a number of different business records to ensure records align and are accurate.

##### **Rating:**

- Priority: Confirmed case not investigated or without corrective action plan. Documents are fraudulent
- Major: No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- Minor:
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- Not Applicable: Not applicable

##### **Remote verification: Yes**



#### D4) 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 and customer information is to be safeguarded.

##### D4.1 No identified risk of Intellectual Property or business information loss or unauthorized disclosure (the Auditee's own and that of their customers/suppliers)

###### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - A formal policy and program is in place to protect the information that the Auditee receives from its customers as part of the contracting process.
    - Such information would include:
      - 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.
    - A program and/or procedures used to review intellectual property ownership and ensure protection of intellectual property is in place.
    - Formal procedures to ensure non-disclosure and protection of information about the Auditee's customers, channel partners, suppliers, workers, and other business partners in accordance with applicable laws and regulations are in place.
    - IT policies should include guidelines about the distribution/dissemination of information. This includes, at a minimum, a non-disclosure agreement (separate or part of employment contract) for workers and management.
  - Managers and supervisors receive annual refresher training on the information protection procedures.
    - Training material and training records are available, adequate and up to date.

###### **Rating:**

- Priority: Confirmed case not investigated or without corrective action plan
- Major: No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- Minor:
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- Not Applicable: Not applicable

**Remote verification: Yes**

## D5) 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.

### D5.1 No identified risk of communicating inaccurate information to the public

#### **Minimum requirements:**

Includes all kinds of publically communicated company information (job posting, product details, company/facility promotion (booklet/flyer), commercial advertising, press releases, website,...)

- **Site observation:** If publically communicated company information is posted then it is accurate
- **Document review:**
  - Public information must not make false or misleading statements about the Auditee's products, services, opportunities, position,....
  - Company information must meet legal requirements.
  - Formal program to ensure public Auditee statements are not false or misleading and they meet fair business and advertising legal requirements.

#### **Rating:**

- **Priority:** Confirmed case not investigated or without corrective action plan
- **Major:** No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- **Minor:**
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- **Not Applicable:** Not applicable

**Remote verification:** Yes

## D5.2 No identified risk of collusion

### **Minimum requirements:**

- Site observation: Not applicable
- Document review:
  - Safeguards are in place to prevent collusion with other companies on product pricing or other factors that could reduce competition.
  - A formal policy prohibiting collusion that defines consequences for managers, employees and business partners or any of their agents.
  - A formal investigation procedure for any allegations of collusion is in place, which includes monitoring procedures related to fair competition.
  - Training is provided to workers, employees, managers and business partner on collusion and managers receive and annual refresher training. Training material and training records are available, adequate and up to date.

Note: General public record search by Auditors is performed to learn if the Courts have found the Auditee colluding in some way.

### **Rating:**

- Priority: Confirmed case not investigated or without corrective action plan
- Major: No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- Minor:
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- Not Applicable: Not applicable

**Remote verification:** Yes

## **D6) Protection of Identity and Non-Retaliation**

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained unless prohibited by law. Participants should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

### **D6.1 A way to confidentially report suspected ethical misconduct is available to workers and workers of suppliers**

#### **Minimum requirements:**

- **Site observation:** Confidential reporting channels are clearly communicated and visible (grievance box, hotline, Hotmail, third party line,....)
- **Document review:**
  - Auditee shall promptly investigate the validity of the whistleblower claim and take prompt remedial action if the claim is valid; said protection should also apply to all workers, including indirect workers.
  - Clear communications channels so that workers at the Auditee operations AND major supplier operations are comfortable reporting violations or issues of concern and so that reporting is encouraged.
  - An established process for workers AND workers of major suppliers to anonymously report suspected violations of business conduct standards in order to prevent possible retaliation.
  - Detailed procedures are in place to protect whistleblower identity as part of the allegation investigation process.
  - Training material and training records are available, adequate and up to date. Annual refresher training is provided to all. Workers AND workers of major suppliers are provided with written information on how to report ethical or legal concerns.

#### **Rating:**

- **Priority:**
  - Confirmed case not investigated or without corrective action plan
- **Major:**
  - No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- **Minor:**
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- **Not Applicable:**
  - Not applicable

**Remote verification:** Yes

## D6.2 No identified risk of retaliation

### Minimum requirements:

- Site observation: Not applicable
- Document review:
  - Clear communications to workers/employees is available stating non-retaliation policy.
  - Detailed procedures are in place to investigate possible retaliation allegations.
  - Training material and training records are available, adequate and up to date. Annual refresher training is provided to all.

### Rating:

- Priority: Confirmed case not investigated or without corrective action plan
- Major: No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- Minor:
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- Not Applicable: Not applicable

Remote verification: Yes

## D7) Privacy

Participants are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Participants are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

### D7.1 No identified risk of unauthorized disclosure of personal information

Scope: Managers/Workers, employees of customers and consumers

#### **Minimum requirements:**

- **Site observation:** Not applicable
- **Document review:**
  - A formal policy and program is in place to protect privacy: Personal information of everyone we do business with, 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.

#### **Rating:**

- **Priority:** Confirmed case not investigated or without corrective action plan
- **Major:** No detailed and understandable policy and procedures implemented (e.g. communication, training, records maintained)
- **Minor:**
  - Partial policy or procedures or implementation (e.g. communication, training, records maintained).
  - Confirmed case without completed corrective action plan
- **Not Applicable:** Not applicable

**Remote verification:** Yes

## **D8) Responsible Sourcing of Minerals**

Participants shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Participants shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

### **D8.1 Adequate and effective Conflict Minerals and the Conflict-Free Sourcing Program and Policy is implemented to reasonably assure that purchasing of the 3TG minerals does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country.**

#### **Minimum requirements:**

Note: 3TG minerals= Tantalum, Tin, Tungsten and Gold

- Site observation: Not applicable
- Document review:
  - Adequate and effective program and clear policy on Conflict Minerals is in place to avoid knowingly purchasing 3TG minerals that directly or indirectly finance armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or its 9 adjoining countries.
  - 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 Auditee's products
    - Covers the DRC and adjoining countries (Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia)
    - Conflict Minerals Sourcing 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 are in place. Auditee should actively verify compliance with these requirements:
      - Policies are incorporated in management and procurement procedures to assure conflict mineral free sourcing
      - Demonstrate that Auditee has developed a process to determine whether sources of materials are either 3TG free or (if procured by the smelter/refiner site) are conflict-free
      - 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 been identified.

**Rating:**

- **Priority:** Confirmed purchasing of minerals from conflict sources in the Democratic Republic of Congo or surrounding countries and no documented action taken by auditee to address the issue.
- **Major:** No existence of clear Conflict Free Minerals policy and/or Conflict Minerals and the Conflict-Free Sourcing Program, more than 25% of 3TG sources do not have a due-diligence and documentation in place (ref EICC-GeSI CFS program)
- **Minor:** Less than 25% of 3TG sources do not have a due-diligence and documentation in place (ref EICC-GeSI CFS program)
- **Not Applicable:** No Tin, Tungsten, Tantalum and Gold (3TG) mineral material or containing components

**For rating:** documentation means supplier request and two follow up requests are made if no information is received.

**Remote verification:** Yes

## E. MANAGEMENT SYSTEM

### E1) Company Commitment

Corporate social and environmental responsibility policy statements affirming Auditee's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.

#### E1.1 Adequate and effective policies/Code(s) that are endorsed by executive management, covering: A) Labor B) Health & Safety C) Environment and D) Ethics.

##### Minimum requirements:

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)
  - For Ethics, items/principles in **BOLD** must be covered at a minimum in at least one of their code of business ethics, standards of business conduct, business principles or code of conduct or similar document. The words do not have to match, but the principles need to be there:
    - General Ethics: conduct **business with honesty/integrity** (examples: avoid conflicts of interest, stealing, extortion, embezzlement, protect corporate assets, compete fairly), protection of identity and non-retaliation (example: whistleblower, anonymous reporting)
    - Legal compliance: Anti-Corruption or Anti-Bribery, Anti-Trust, Privacy, Intellectual Property (IP) Protection, Responsibly Sourcing Minerals
    - Operating Procedures: **Accurate and transparent disclosure of information** (example: accuracy of company records, accurate reporting in books and records, disclosed in accordance with law / prevailing industry practices)

##### For each component:

- Site observation: Corporate social and environmental responsibility policy statements in a language understood by each worker is visible to all workers
- Document review:
  - Statement/Code signed/endorsed by the highest-level manager at the facility or company with a stated commitment to regulatory compliance and other requirements and commitment to continuous improvement

Note: executive endorsement can be absent when policy/Code is publicly displayed (e.g. intra or internet site).

  - The policy statement is appropriate for the nature and scope of the facility's operations.

##### Rating:

- Priority: Not Applicable
- Major: 2 or more components are missing, does not contain commitment to continuous improvement and legal compliance, 20 percent or more of workers are not aware of code or its content

- Minor: No endorsement of senior management, 1 component missing, between 5-20 percent of workers are not aware of code or its content
- Not Applicable: Not applicable

**Remote verification: Yes**

## **E2) Management Accountability and Responsibility**

The Participant clearly identifies senior executive and 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.

### **E2.1 Responsibilities and authorities are adequately and effectively defined and assigned for all employees/workers (senior managers to workers) for implementation of management systems, and for compliance with laws, regulations and codes pertaining to: A) Labor B) Health & Safety C) Environment and D) Ethics.**

#### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification, then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

#### **For each component:**

- Site observation: Not applicable
- Document review:
  - A senior representative assigned responsibility for implementing programs
    - To ensure compliance with laws and regulations and the requirements of the EICC
    - Is authorized to implement programs, procedures and corrective actions as needed for regulatory compliance and EICC conformance
  - Responsibilities and authority of each organizational level are documented in position plans, job descriptions and/or the facility's management system documentation, documented procedures for responsibility assignment in normal and emergency situations at all levels of the organization, training materials and training records on responsibilities are available, adequate and up to date.

#### **Rating:**

- Priority: Not Applicable
- Major: 2 or more components are missing, no identified management representative authorized to implement the management system of a component
- Minor: Any item of guidance missing
- Not Applicable: Not applicable

**Remote verification:** Yes

**E2.2 An adequate and effective management review and continuous improvement process for A) Labor, B) Health & Safety, C) Environment and D) Ethics performance and management systems are established**

**Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification, then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).

**For each component:**

- Site observation: Not applicable
- Document review:
  - A document describing the management system review process, including
    - The agenda
    - Review frequency
    - Minutes
    - Presentation materials
    - Other records of management review meetings are available clearly stating
      - date
      - who was present (including senior manager)
      - progress towards meeting objectives
      - results of Audits
      - completion of corrective actions
      - risks/issues
      - and other information needed to determine the effectiveness of the management system and identify improvement opportunities, which result in a formal improvement action plan.
  - Frequency: At least annually.

**Rating:**

- Priority: Not Applicable
- Major: 2 or more components are missing, senior management does not assess annually
- Minor: 1 component missing
- Not Applicable: Not applicable

**Remote verification**: Yes

### **E3) Legal and Customer Requirements**

A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code.

#### **E3.1 An adequate and effective compliance process to monitor, identify, understand and ensure compliance with applicable laws and regulations and customer requirements pertaining to: A) Labor B) Health & Safety C) Environment and D) Ethics is established**

##### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification, then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

##### **For each component:**

- Site observation: Not applicable
- Document review:
  - A formal procedure to
    - Identify
    - track
    - assess
    - integrate
    - implement
    - maintain a current understanding of applicable legal and customer requirements.
  - This includes at a minimum:
    - review of new laws/regulations on at least a quarterly basis
    - maintaining a document summarizing the applicable laws and regulations and the key customer requirements that impact the operations that is updated at least on a quarterly basis
    - new/changed operations are reviewed for applicable regulatory and customer requirements prior to start-up.

##### **Rating:**

- Priority: Not Applicable
- Major: 2 or more components are missing
- Minor: Any item of guidance missing
- Not Applicable: Not applicable

**Remote verification:** Yes

#### **E4) Risk Assessment and Risk Management**

A process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with Auditee'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.

##### **E4.1 An adequate and effective risk management process to identify, assess, and minimize/mitigate/control its risks in the areas of: A) Labor B) Health & Safety C) Environment and D) Ethics is in place**

###### **Minimum requirements:**

- Components: Labor, Environmental and Ethics
- If a component has a valid certification, then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)
  - For Ethics - Risk assessment takes into account business circumstances (country of operations, stakeholders,...) and covers at minimum honesty, integrity, intellectual property protection, bribery, corruption, fraud/embezzlement, embezzlement, extortion, legal, ethical, fair business/marketing practices, reporting violations, whistleblower protection, kickbacks, bribes, privacy, unlawful payments,...

###### **For each component:**

- Site observation: Control measures are in place for identified risks
- Document review:
  - A formal risk assessment process is in place to identify the most significant risks (including applicable legal requirements and applicable customer requirements).
  - Any identified risk has an action plan to minimize such risk and procedural controls and/or improvement objective.
  - The risk assessment covers
    - Every site operation/process
    - Physical location
    - Procedural controls are documented
    - Managers and workers with responsibility for implementing the procedures have been appropriately trained
    - Where controls are not yet in place, the facility has established an implementation plan with owners and due dates to implement the necessary controls
    - Effectiveness of controls is evaluated on a regular basis
    - Corrective action taken where improvement is needed.
  - Training materials and training records are available, adequate and up to date.
  - A risk assessment is carried out on an annual basis.

###### **Rating:**

- Priority: Imminent and significant impact are confirmed on facility, life, limb or community without action

- Major: 2 or more components are missing, no risk process adequate for the scope and nature of the operations and no controls in place
- Minor: 1 component missing, risk process adequate for the scope and nature of the operations AND risk assessment performed but no adequate controls in place
- Not Applicable: Not applicable

**Note:** Health and Safety Risk assessment is covered in B1.2

**Remote verification:** Yes



## **E5) Improvement Objectives**

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

**E5.1 An adequate and effective performance management process for A) Labor, B) Health & Safety, and D) Ethics, including setting performance (improvement) objectives and targets, developing and implementing improvement plans, regularly reviewing progress toward achieving targets, and making appropriate adjustments if needed is in place**

### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

### **For each component:**

- Site observation: Not applicable
- Document review:
  - A formal objective setting process within indicators/ objectives/target including:
    - Consideration of risk assessment results
    - Legal and regulatory requirements
    - Customer requirements
    - Company standards/requirements.
  - The process should also include
    - A specific frequency for objective setting (e.g. annual)
    - Assignment of owners
    - Implementation plans
    - Completion dates
    - Communication of objectives to workers (as appropriate).
    - How frequently progress in meeting objectives is reviewed
    - Objectives and targets are clearly designed to achieve continual improvement.

Note: Reporting on this question will include the detail of the current targets, last review meeting and current progress against the targets

Note: Environment objectives, targets and performance are addressed in C2.1

### **Rating:**

- Priority: Not Applicable
- Major: 2 or more components are missing, no targets established or no review takes place on progress
- Minor: 1 component missing, targets are established but no review takes place and/or no corrective actions taken if progress is off track
- Not Applicable: Not applicable

**Remote verification**: Yes

## E6) Training

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

### **E6.1 An adequate and effective training process is established for all managers/workers on all policy/procedures/job related aspects and performance targets related to A) Labor, B) Health and Safety C) Environment, and D) Ethics**

#### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics policies and objectives
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)
  - For ethics: this includes workers but also all subcontractors, suppliers, business partners and other relevant parties
  - For labor: this includes training on appropriate disciplinary procedures

#### **For each component:**

- Site observation: Not applicable
- Document review:
  - A formal training program to workers/managers:
    - New employee orientation plan
    - Training needs analysis
    - Training plan
    - Training material
    - Training records
    - Training frequency
    - Training efficiency verification

Note: Health and Safety training is covered in section B8.

#### **Rating:**

- Priority: Not Applicable
- Major: 2 or more components are missing, 2 or more focus areas are missing in the communications (policy, performance, practice, expectations)
- Minor: 1 component missing, 1 focus area are missing in the communications (policy, performance, practice, expectations)
- Not Applicable: Not applicable

**Remote verification**: Yes

## **E7) Communication**

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

### **E7.1 An adequate and effective worker/manager, supplier and customer communication/reporting process for A) Labor, C) Environment, and D) Ethics policies, practices and performance is established**

#### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

#### **For each component:**

- Site observation: Not applicable
- Document review:
  - A formal communication program to suppliers is in place which includes:
    - Correspondence to supplier management
    - Contract terms and conditions requiring suppliers to conform to the EICC code and comply with all applicable EHS regulatory requirements
    - Presentations to suppliers
    - Supplier training
  - Communication program to customers is in place and conducted annually. The communications program must include:
    - Recruitment practices and performance (including freely chosen employment, e.g. demographics of labor and list of labor agents/contractors with percentage of workforce, costs to workers (in total absolute numbers and per contract base) and labor agent/contractor fees).

Note: Submitting SAQ to customers does not qualify as disclosure/communication to customers

Note: Health and Safety communication is covered in section B8.

#### **Rating:**

- Priority: Not Applicable
- Major: 2 or more components are missing, 2 or more focus areas are missing in the communications (policy, performance, practice, expectations)
- Minor: 1 component missing, 1 focus area are missing in the communications (policy, performance, practice, expectations)
- Not Applicable: Not applicable

**Remote verification:** Yes

## **E8) 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.

### **E8.1 An adequate and effective worker grievance/complaint process whereby workers can confidentially communicate work-related grievances or complaints without fear of reprisal or intimidation is established**

#### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

#### **For each component:**

- Site observation: Grievance and complaint channels are clearly communicated in workers' native language(s) and visible (grievance box, hotline, Hotmail, third party line,....)
- Document review:
  - An established process for workers to anonymously report grievances and complaints without fear of reprisal.
  - Training material and training records are available, adequate and up to date. Annual refresher training is provided to all.
  - Workers are provided with written information on how to report grievances and complaints

#### **Rating:**

- Priority: Auditee actively retaliates (even to one substantiated case)
- Major: 2 or more components are missing,
- Minor: 1 component missing
- Not Applicable: Not applicable

**Remote verification:** No

**E8.2 An adequate and effective worker consultation/participation process whereby management solicits and encourages worker feedback and participation for improvement via various channels in place**

**Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

**For each component:**

- Site observation: Feedback channels are clearly communicated and visible (suggestion box, ,....)
- Document review:
  - A formal program to obtain worker feedback such as:
    - Worker surveys
    - Suggestions boxes
    - Worker focus groups
    - Joint worker-management committees
    - Worker/union representatives
    - Process improvement teams.
  - The feedback is analyzed and actions are taken to improve the situation.
  - Action plans are available, implemented or on track.

**Rating:**

- Priority: Not Applicable
- Major: No feedback mechanism(s) in place
- Minor: Any item of guidance missing
- Not Applicable: No worker communication.

**Remote verification:** No

## **E9) 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.

### **E9.1 An adequate and effective self-audit process to periodically assess conformance with the EICC Code including compliance with applicable laws and regulations pertaining to: A) Labor B) Health & Safety C) Environment and D) Ethics.**

#### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

#### **For each component:**

- Site observation: Not applicable
- Document review:
  - A formal Audit program is in place which includes at least the following: regular self-Audits (at least annually) in order to assess conformance to:
    - Applicable regulatory requirements
    - EICC Code requirements
    - Customer contractual requirements related to SER
    - Own policies, standards and management system
    - Other requirements to which the facility subscribes
  - The Audit program covers
    - All areas of the facility,
    - All processes, physical conditions and work practices
    - Review of documents and records
    - Interviews with individuals responsible for SER.
  - Audit findings are reviewed by senior management.

#### **Rating:**

- Priority: Not Applicable
- Major: No Audits carried out, 2 or more components are missing, scope does not include regulatory compliance
- Minor: 1 component missing, scope includes regulatory compliance but not customer requirements
- Not Applicable: Not applicable

**Remote verification**: Yes

## **E10) Corrective Action Process**

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

**E10.1 Has established an adequate and effective corrective actions process to rectify and close Nonconformances with the EICC Code including legal non-compliances identified via internal or external Audits, assessments, inspections, investigations and reviews, including root cause, corrective and preventative action to address non-conformance or Notice of Violation are on track or completed for A) Labor B) Health & Safety C) Environment and D) Ethics.**

### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

### **For each component:**

- Site observation: Not applicable
- Document review:
  - A formal corrective action program and process is in place which contains the following:
    - Corrective action reports/plans and tracking tables including:
      - Root cause analysis of the finding to ensure the system gap is addressed
      - Specific corrective actions
      - Owners of the action
      - Due dates are established to address all Audit issues.
    - When a corrective action is off track, additional actions are taken to get the item back on schedule
    - Completion of action items is verified by the management representative
    - A demonstrated link between the CAP and the performance management objectives and targets.
  - Copies of any regulatory citations/violation notices received in the past three years, including any communications with the agencies are available for review.
  - If a citation was received, documentation to verify that the issues have been addressed/closed out is available for review and corrective and preventive actions to all similar situations throughout the facility.
  - If closure was not verified by an independent third party or the original government agency, Auditor must verify closure.

Note: General public record search by Auditors is performed to learn if the regulatory authorities have imposed corrective action or penalties in last 3 years for each component.

### **Rating:**

- Priority:
  - Not Applicable

- Major:
  - 2 or more components are missing
  - 1 or more unaddressed regulatory actions or penalties.
- Minor:
  - Any item of guidance missing (focus on program/process in place, issues corrected or on track, correction is preventative to avoid future re-occurrence)
  - Regulatory actions or penalties are addressed but off track and no corrective actions are taken to get them back on track
- Not Applicable:
  - No Audit or evaluation performed
  - Auditee has NOT been subject to any labor regulatory actions in the past 3 years. 3 data points are required to show there was no case in the past 3 years.

**Remote verification:** Yes



## **E11) 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.

### **E11.1 Adequate and effective documentation and records for A) Labor, B) Health & Safety, C) Environment, and D) Ethics management systems are maintained and appropriate levels of access are implemented to ensure privacy.**

#### **Minimum requirements:**

- Components: Labor, Health& Safety, Environmental and Ethics
- If a component has a valid certification then this is considered conformance for that component on this question (i.e. if a valid third party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System)

#### **For each component:**

- Site observation: Documents are securely stored with authorized access only
- Document review:
  - A documentation system which satisfies
    - Regulatory (including record retention laws)
    - Customer requirements
    - Includes a documentation and recordkeeping procedure for, at a minimum, the following documents and records:
      - Records of wages paid and hours worked
      - Verification of worker age
      - Financial Audit reports
      - Non-Disclosure Agreements (NDAs)
      - Contract terms and conditions
      - Self-Audit reports
      - Regulatory compliance evaluations
      - Risk assessments
      - Work practices and procedures
      - Performance in meeting objectives and targets
      - Reports of inspections by regulatory agencies
      - Incident investigations
      - Worker complaints
      - Training records
      - Management System Review minutes and action items
      - Corrective action records.
    - A listing/table of documents and records required by local regulations and customer requirements is available, adequate and up to date.
    - Conflict of interest declarations are available in personnel files.

**Rating:**

- Priority: Not Applicable
- Major: 2 or more components are missing, does not meet regulatory requirements
- Minor: 1 component missing, meets regulatory requirement but not customer requirements
- Not Applicable: Not applicable

**Remote verification:** No

## E12) Supplier Responsibility

Process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.

### E12.1 The EICC Code requirements have been communicated to the next tier major suppliers

“Next tier major supplier” is determined by the criteria defined by the Auditee (annual spending, critical component to core business, more than once purchase, within ICT industry supply chain,...). For the scope of this code provision the “next tier major supplier” definition will always include any labor agents/contracts and on-site service providers that fall outside the scope of sections A3 and A4.

#### **Minimum requirements:**

- Site observation: Not Applicable
- Document review:
  - Documented procedure on implementation of EICC Code for suppliers
  - Formal communication with its suppliers on the code and its requirements or inserted the requirements of the code and its provisions into the contract it has with suppliers. This includes:
    - Supplier program (identification of major suppliers, definition of what is major)
    - Communications program to next tier major suppliers (meetings, email,...)
    - Enforcement language: contract, purchase order, ...
    - For labor agents: Contracts with labor agents/contractors contain language that require all relevant labor requirements of the EICC Code (covering at a minimum child labor prohibition, freely chosen employment, recruitment/service charges, wages, benefits, non-discrimination, freedom of association) and comply with labor law in both home and sending country.

Note: Additional specific forced labor requirements for labor agents/contractors are listed in A1

#### **Rating:**

- Priority: Not Applicable
- Major:
  - There is no EICC supplier implementation procedure and there are no documented communication vehicles with “next tier major suppliers”.
  - 20 percent or more of workers working thru labor agents/contractors cannot state how their employment terms and conditions meet the relevant labor requirements of the EICC code
- Minor:
  - EICC supplier implementation procedures exist but 20 percent or more of “next tier major suppliers” have not been communicated to.
  - 5-20 percent or more of workers working thru labor agents/contractors cannot state how their employment terms and conditions meet the relevant labor requirements of the EICC code

- Not Applicable: no “next tier major suppliers “ to facility.

Note: forced labor findings for labor agents contractors are rated in A1

**Remote verification:** Yes (No, if nonconformance for labor agents/contractors)

## E12.2 An effective process to ensure that the next tier major suppliers implement the EICC Code

“Next tier major supplier” is determined by the criteria defined by the Auditee (such as annual spending, critical component to core business, more than once purchase, within ICT industry supply chain,...). For the scope of this code provision the “next tier major supplier” definition will always include any labor agents/contracts, hazardous waste vendors and on-site service providers which fall outside the scope of sections A3 and A4.

Review VAP process and in-cycle VARs for major suppliers if available

### **Minimum requirements:**

- Site observation: Not Applicable
- Document review:
  - EICC code implementation questionnaires, Audits or visit reports on site visits to “next tier major suppliers” are available. Action plans are in place with Auditee’s suppliers on improvement actions related to the EICC code and its provisions. This includes the following:
    - If an SAQ is used then information needs to be validated through a verification visit with documented minutes of situation versus SAQ and/or an Audit to verify SAQ information
    - An Audit (CMA or VAP), an AMA (if done by third party qualified Audit firm is acceptable)
    - A corrective action plan for improvement areas identified in SAQ /Audit
    - A verification mechanism that CAP is implemented
  - If an alternative risk-based approach exists (in lieu of a fixed number of assessment/audits) there is documented criteria, guidelines, execution of assessments/audits and finding closure tracking
  - Remote / desk-audit or focused audit processes and guidelines used on smaller, specialized facilities or service providers where a full EICC audit is not appropriate.

Note: Additional specific forced labor requirements for labor agents/contractors are listed in A1. Hazardous waste vendors findings /corrective action plans which are missing / off track are rated in C3.

### **Rating:**

- **Priority:** Not Applicable
- **Major:**
  - No Audits/evaluations in place for the majority of “next tier major suppliers” AND there is no alternative risk-based approach with criteria, guidelines, execution of assessments/audits and finding closure in place
  - No CAP in place for the majority of “next tier major suppliers” (where applicable)
- **Minor:** Audits/evaluations are done within last 2 years for less than 80 percent of “next tier major suppliers” AND with CAPs in place AND any alternative risk-based approach with criteria, guidelines, execution of assessments/audits and finding closure is more than 50% behind (delayed).
- **Not Applicable:** no “next tier major suppliers” to facility.

Note: forced labor findings for labor agents contractors are rated in A1

**Remote verification:** Yes (No, if nonconformance for labor agents/contractors)