



EICC Position on Working Hours

I. Introduction

One of the Electronic Industry Citizenship Coalition (EICC)'s top objectives is protecting the well-being and interests of workers, and complying with all local legal requirements in the geographies in which they operate. Excessive working hours are associated with risks to employees' health, safety and work performance. It is both a societal issue and economic issue. Therefore, solutions must work to address both those elements.

Recognizing these risks in the electronics industry supply chain, the EICC Code of Conduct (Code) contains several key requirements. The first two of these requirements are that a member shall not permit its employees to work a) more than 60 hours per week, or b) work more hours than local law permits. These requirements represent aspects of the EICC's commitment to its objectives of protecting workers' health and complying with all relevant regulations.

II. Working Hours in the VAP

The aforementioned working hour requirements are reflected in the EICC's Validated Audit Process (VAP) Protocol. Findings identified through the VAP are classified as Priority, Major, Minor or Risk of Non-Conformance findings. A Priority finding confirms the presence of intolerable practices or conditions that pose an immediate risk to life or serious injury. Examples of Priority findings include practices or conditions such as the presence of underage child workers, forced labor or health and safety issues that can cause immediate danger to life or serious injury. A Major finding represents a significant failure in the management system, one that affects the ability of the system to produce the desired results, including failure to comply with applicable local laws and regulations. For example, the failure of an organization to verify its compliance to applicable laws and regulations constitutes a Major finding. All VAP findings require a Corrective Action Plan be implemented within a given time-frame before a facility's VAP is considered complete.

Recently the EICC Board of Directors reviewed the EICC VAP process regarding working hours violations. Based on those discussions, the following VAP working hours classifications have been approved.

- Any finding of working hours in excess of 84 hours will be a Priority finding whenever it is found.
- Any finding of working hours in excess of 72 hours will be a Priority finding when found more than 5 percent of the year, and a Major when occurring between 1 percent and 5 percent of the year.
- Any finding of working hours more than 60 hours per week will be a Priority finding when found to occur more than 40 percent of the year, a Major finding when occurring between 5 percent and 40 percent of the year, and a Minor finding when occurring less than 5 percent of the year.



- Any finding of working hours that is under 60 hours per week but not meeting local law will be a Major finding when found more than 40 percent of the year, and a Minor finding when found between 5 percent and 40 percent of the year.

Facilities also must submit a Corrective Action Plan (CAP) for all violations. All findings require a CAP before the audit may be considered complete. A priority finding on working hours requires that the facility demonstrate that the identified finding be resolved within 90 days. Alternatively, a Major finding provides a more extended time-frame, which is appropriate for developing long-term strategies to reduce working hours.

III. Strategic Plan and Continuous Improvement

The EICC aims to meet these objectives through a policy of continuous improvement. At a minimum, EICC members are expected to bring their factories' weekly working hours to no greater than 60 hours per week. Members will be supported in this approach through a long-term EICC strategic plan to improve working hours performance and bring the weekly working hours number down to compliance with any stricter local laws, where applicable. The plan will include collaborating with local authorities, stakeholders and other industries, as well as identifying educational and capability-building support material and trainings designed to identify solutions to this complex issue. The EICC will also add a "legal compliance" section to VAP audit reports, helping members quickly identify these issues in facility assessments.

Reducing working hours to meet stricter local laws requires industry-wide solutions and collaboration at all supply chain levels, as well as with governments. The EICC's diverse membership, representing the entire electronics supply chain, uniquely positions the EICC to meet these challenges.

IV. Conclusion

This continuous improvement policy outlined above allows EICC member companies to protect workers' interests and well-being. The recent changes accurately classify findings and provides members with a strategic plan to meet the EICC Code of Conduct's requirements. A continuous improvement process for working hours will support members and their workers, and provide necessary resources to advance EICC's commitment to protecting its members' workers.

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