

# Electronics Industry Citizenship Coalition Public Private Partnership in the Fight Against Human Trafficking

July 20, 2017

# Who we are

The EICC<sup>®</sup> is a coalition of the world's leading electronics companies **working together** to **improve efficiency** and **social, ethical, and environmental responsibility** in the global supply chain.

[www.eiccoalition.org](http://www.eiccoalition.org)





# EICC By the Numbers

**113** EICC Members

**15,500** SAQs completed to-date

**350** Members (EICC + CFSI)

**2,500** VAP audits to-date

**\$4.75 trillion** EICC members' annual revenue

**5,000** Suppliers in EICC-ON

**6 million** EICC members' direct employees

**239** CFSP-compliant smelters

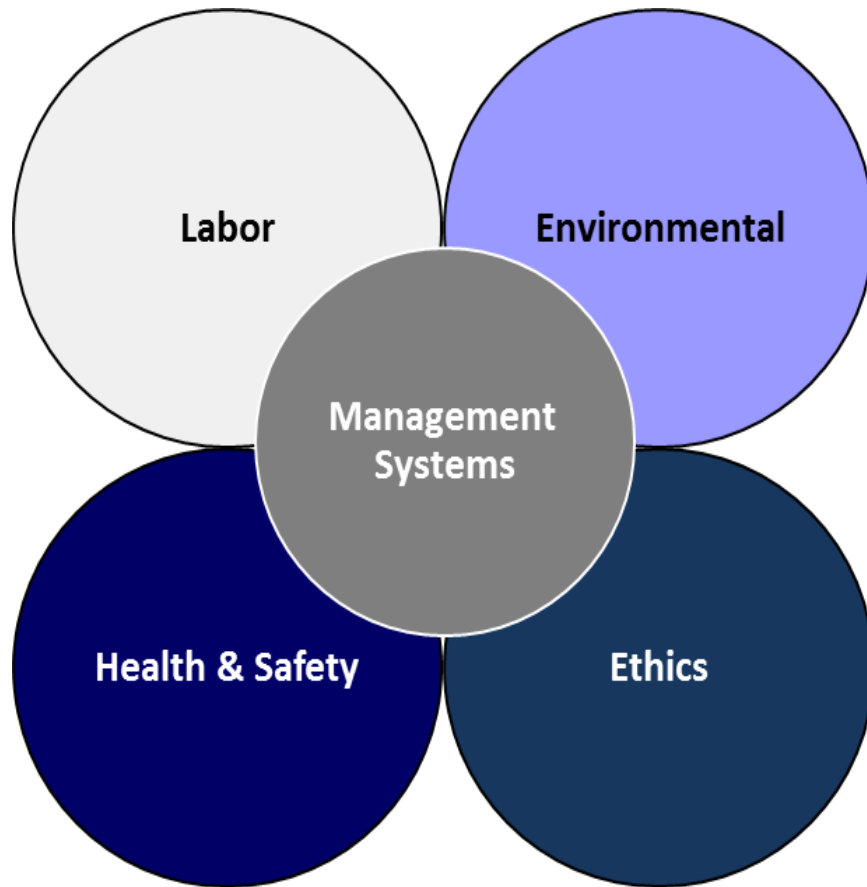
**120** Countries in which EICC members' products are manufactured

**120** CFSP audits in 2016

**8** Industries: Electronics, Auto, Aerospace, Retail, Telecommunications, Toys, Apparel, Jewelry

**32,000** Learning Academy users

# EICC Code of Conduct



## Code Review Process

- ❑ The EICC Code of Conduct is reviewed every three years to ensure its relevance to international norms and issues members may face in their supply chains. Code of Conduct review processes are extensive (typically one year in duration) and follow an extensive consultation process with members and stakeholders.
- ❑ Version 5.0, was ratified by EICC full members in 2014 and went into effect on April 1, 2015.
- ❑ In March of 2015, the EICC membership held a special out-of-cycle vote to further amend section A1 – Freely Chosen Employment. The approved language, **which moved the Code to zero fees for workers**, can be viewed on our website. This version, Version 5.1, went into effect on Jan. 1, 2016.

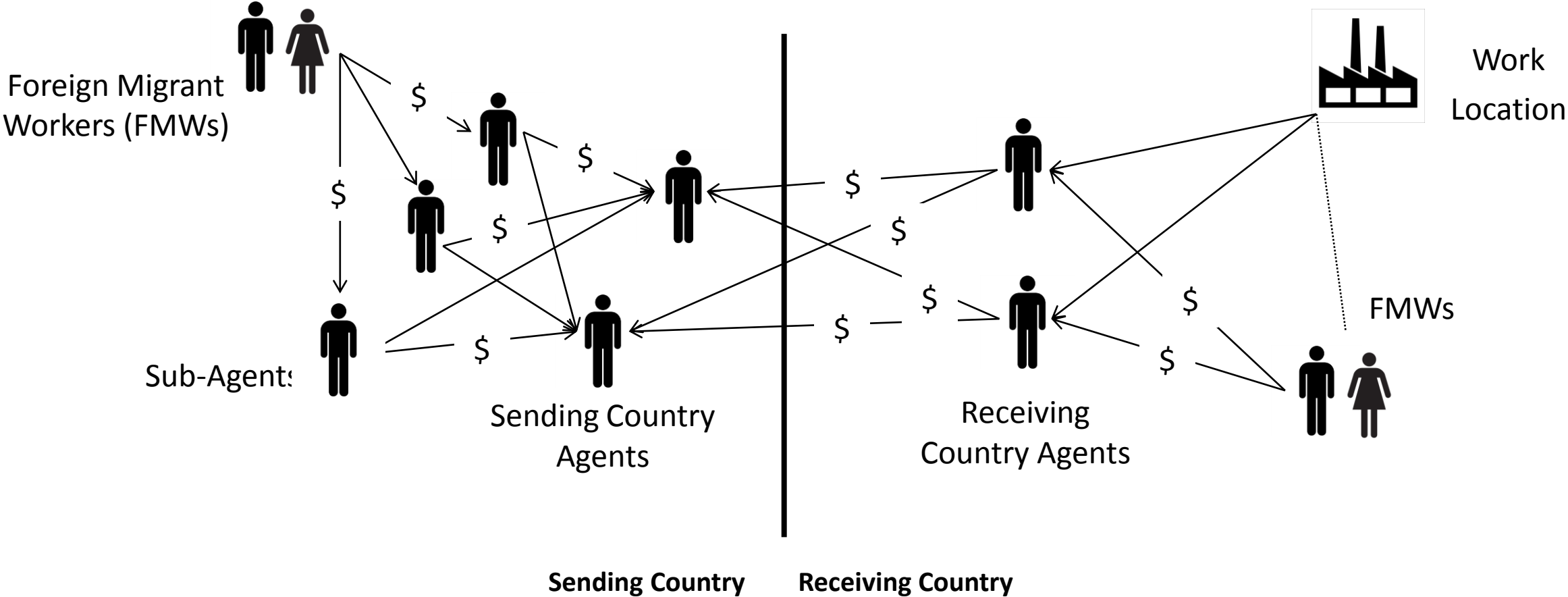
# Tool enabled compliance process

<b>Risk Assessment: Verisk Maplecroft and Self-Assessment Questionnaire (SAQ)</b>	<b>Monitoring: Validated Audit Process (VAP)</b>	<b>Corrective Action Planning (CAP)</b>
<ul style="list-style-type: none"><li>• SAQ utilizes a standardized list of questions to assess labor, ethics, health, safety and environmental practices in the supply chain</li><li>• Benefits:<ul style="list-style-type: none"><li>• Raises awareness about the importance of the code areas</li><li>• Enables companies to evaluate, improve and communicate their performance</li><li>• Scopes and prepares audits</li><li>• Provides insight into where capability building is needed.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• A third party service that provides an independent audit of a facility</li><li>• Benefits:<ul style="list-style-type: none"><li>• Provides companies a way to identify nonconformances to the code</li></ul>Drives improvements in management systems for labor, ethics, health, safety and environmental conditions.</li></ul>	<ul style="list-style-type: none"><li>• Third party management of corrective action plan</li><li>• Individual management between customer and supplier</li><li>• Benefit:<ul style="list-style-type: none"><li>• Ensures findings discovered during the audit are addressed.</li></ul></li></ul>

More information at:

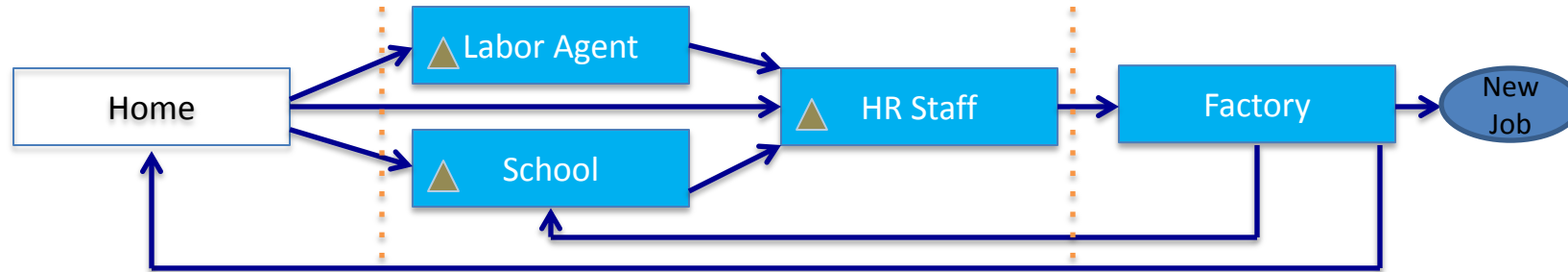
<http://www.eiccoalition.org/standards/assessment>

# Risks in the Foreign Migrant Worker Recruitment Model



# EICC End-to-End Framework for Responsible Labor Practices

## Worker Journey



### Home

Out of Scope, today  
Local Governance  
Issue

### Pre-Hire

Labor agent training and auditing

Labor agent certification

School assessment and credentialing

Direct hire recruiting practices

Pre-departure orientation

### Post-Hire

Work Place of Choice (worker surveys, worker training, worker Grievance/Hotline)

Forced Labor supplemental audits

Post-deployment survey (worker/student)

▲ Future EICC Credential/Certification available

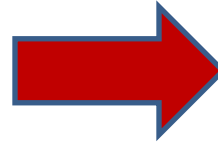


# Combating Forced Labor

## Stems from EICC CoC

### EICC Code of Conduct 5.1

- ✓ No unreasonable restrictions on workers freedom of movement.
- ✓ Must be provided with written employment agreement in their native language prior to departing from country of origin
- ✓ Shall be free to leave work at any time or terminate their employment
- ✓ May not hold passports
- ✓ Workers shall not be required to pay employers or agents recruitment fees (*see definition of fees*) or other related fee for their employment.



## Programs

- EICC Workplace of Choice – grievance mechanism (Pilot in Malaysia)
- Definition of Fees
- Development of Supplemental VAP Forced Labor Audit for factories
- Development of Employment Agency Audit and Certification

# Responsible Labor Sourcing Initiative

# RLI: Member Benefits

Sensing, Advocacy & Communications

Worker Engagement & Helpline

Standards & Compliance Checklists

Factory Capacity Building

Supply Chain Risk Assessments and Trainings

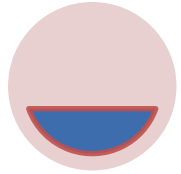
Labor Agency Training & Credentialing "On Ramp"

Self-assessments & audits

Migration Corridor Data & Research

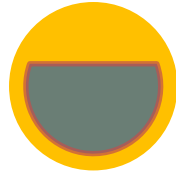
- ❑ End-to-end approach, tools and programs to implement forced labor due diligence in your company's supply chain
- ❑ Awareness of supply chain forced labor regulatory developments, including checklists for compliance
- ❑ World class assurance systems for detecting and correcting conditions which contribute to forced labor
- ❑ Reputational benefits of being a member of a coalition recognized for its advanced work on combatting forced labor in supply chains

# Digging Deeper into Root Cause: Labor Agency Maturity Model (In Pilot)



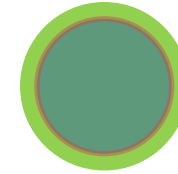
## Level 1: Developing (i.e. “Grey List”)

- Pre-screening
- Labor agency training
- Self assessment
- Level 1 corrective actions
- “No fees” commitment and plan



## Level 2: Assured (i.e. “Off-white list”)

- All level 1 requirements
- On-site supplemental VAP on forced labor
- Completed corrective action plan, including follow-up audit



## Level 3: Certified (i.e. “White list”)

- All level 2 requirements
- Certified by approved third party certification partner (e.g. The Fair Hiring Initiative, IRIS)
- Actively participating in certification requirements on an on-going basis

# Launched: June 26<sup>th</sup>, 2017

## responsiblelabor.org

## THE RESPONSIBLE LABOR INITIATIVE

PROMOTING THE RIGHTS OF WORKERS VULNERABLE TO FORCED LABOR GLOBALLY

### THE CHALLENGE

According to the International Labour Organization (ILO), approximately 21 million people worldwide are working in situations of forced labor. Exploited through force, fraud, debt bondage or other coercion, workers in many industries and many regions throughout the world are vulnerable to the conditions that contribute to forced labor.

Some foreign migrant workers are subject to high recruitment fees, personal debt, complicated recruitment practices, a lack of transparency about their eventual working conditions, and inadequate legal protections in the countries in which they work.

Companies have a moral imperative to act, and financial incentives to do so because of the risks to their operations, reputations and, in some cases, sales if forced labor exists in their supply chains. Awareness of these issues among companies across industries is at an all-time high, thanks to increased scrutiny and pressure from government regulators, non-governmental organizations, customers, institutional investors and media. Guiding principles on forced labor are well-established, however, solutions tend to be fragmented across industries and geographies and only address certain aspects or specific points in a worker's journey. Despite the fact that multiple industries share recruitment actors and corridors, solutions are often implemented in parallel rather than working in conjunction with one another.

### THE RESPONSIBLE LABOR INITIATIVE

The EICC has been at the forefront of combating forced labor through the application of advanced due diligence standards, tools and programs in the global supply chain of its members. However, we believe that in order to accelerate change, this due diligence must be harmonized across multiple industries that share recruitment supply chains to drive labor market transformation through collective action. To catalyze this, the EICC is launching the Responsible Labor Initiative (RLI), a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted. RLI solutions are based on leading EICC standards, programs and partnerships that will be extended to other industries through membership in the RLI and will work in conjunction with complementary solutions to better address these issues.

### BENEFITS OF MEMBERSHIP

Whether your company is a leader in implementing forced labor due diligence or just getting started, there are many benefits to joining the RLI. Membership provides the opportunity to help steer the mission and vision of the initiative, while coordinating a harmonized, cross-industry approach to address the root cause of forced labor. In addition, specific services and tools are provided to members to assist in establishing company-level due diligence programs, including:

- Sensing, Advocacy and Communications Services
- World-Class Standards and Compliance Checklists
- Supply Chain Risk Assessments
- Self-Assessments and Audits for Factories and Labor Agents
- Factory Capacity Building, Supported by a Third-Party Helpline
- Labor Agency Development and an "On-Ramp" to Certification Systems
- Recruitment Corridor Data and Research



## Responsible Labor Initiative Launches to Promote Rights of Workers Vulnerable to Forced Labor

EICC Initiative Convenes Multiple Industries and Stakeholders to Transform Labor Market

EXANDRIA, Va., June. 26, 2017 – The Electronic Industry Citizenship Coalition (EICC), a nonprofit coalition of leading electronics companies dedicated to improving social, environmental and ethical conditions in their global supply chains, today announced the launch of its Responsible Labor Initiative to help companies address the root causes of forced labor. This initiative will extend the EICC's existing world-class standards and programs to other industries, thereby accelerating change through collective influence and action.

The EICC has been at the forefront of addressing forced labor in global supply chains for many years, however, to accelerate change and drive labor market transformation, we believe that due diligence must be harmonized across multiple industries that share recruitment channels," said Rob Lederer, Executive Director of the EICC.

According to the International Labour Organization (ILO), approximately 21 million people worldwide are working in situations of forced labor. Supply chains include hundreds of thousands of foreign migrant workers who seek to make better lives for themselves and their families. Unfortunately, some of these workers are exploited through force, fraud, debt bondage or other coercion, in many industries and regions throughout the world.

Guiding principles on forced labor are well-established, however, solutions tend to be fragmented across industries and geographies and only address certain aspects or specific points in a worker's journey. The Responsible Labor Initiative (RLI) will build on leading EICC standards, programs and partnerships that will be extended to other industries through membership in the RLI and will work in conjunction with complementary solutions to better address these issues.

"Addressing the risks vulnerable workers face in the recruitment process requires collective action," said Ed Marcum, Managing Director of Humanity United. "The Responsible Labor Initiative creates a necessary forum for companies to work together across sectors and act collectively."

[Member SharePoint](#) | [EICC-ON](#) | [EICC e-Learning Academy](#) | [Search](#)

Select Language ▼

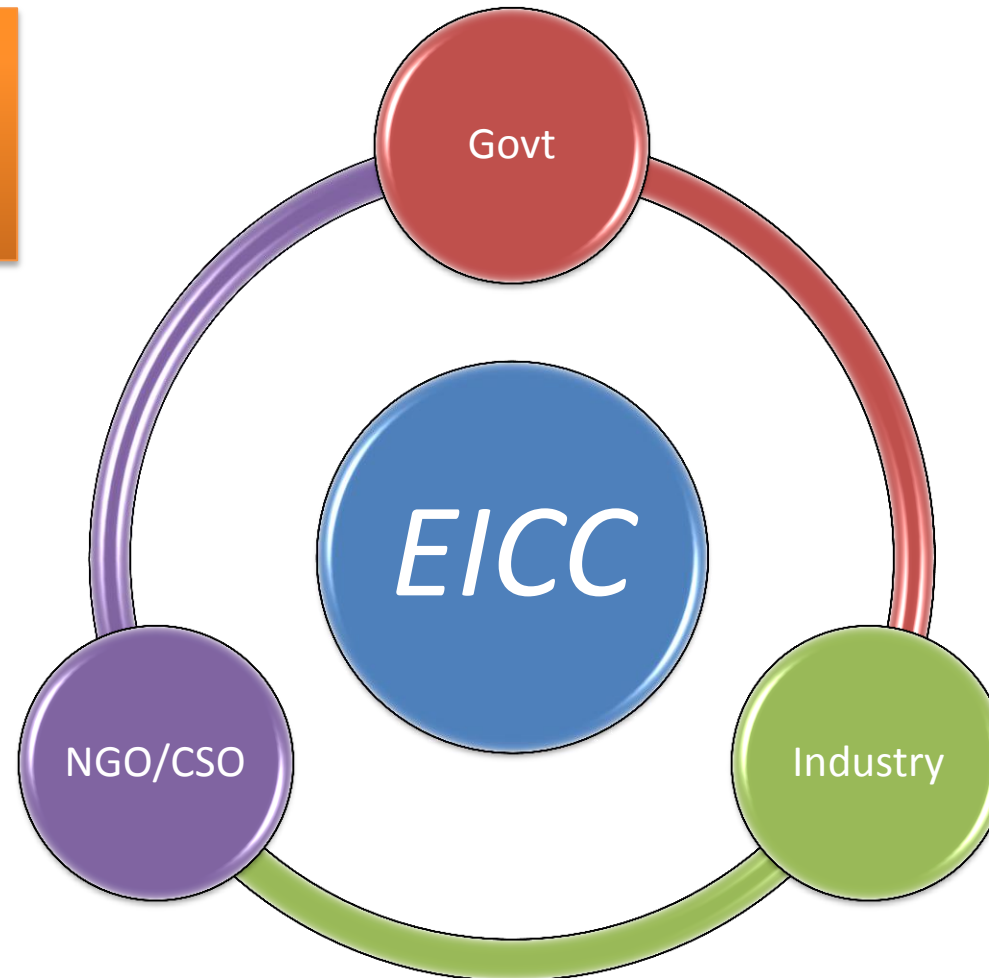
[ABOUT US](#) | [STANDARDS & ACCOUNTABILITY](#) | [INITIATIVES](#) | [RESOURCES & TRAINING](#) | [JOIN US](#) | [NEWS & EVENTS](#)

ANNOUNCING THE  
Responsible Labor Initiative

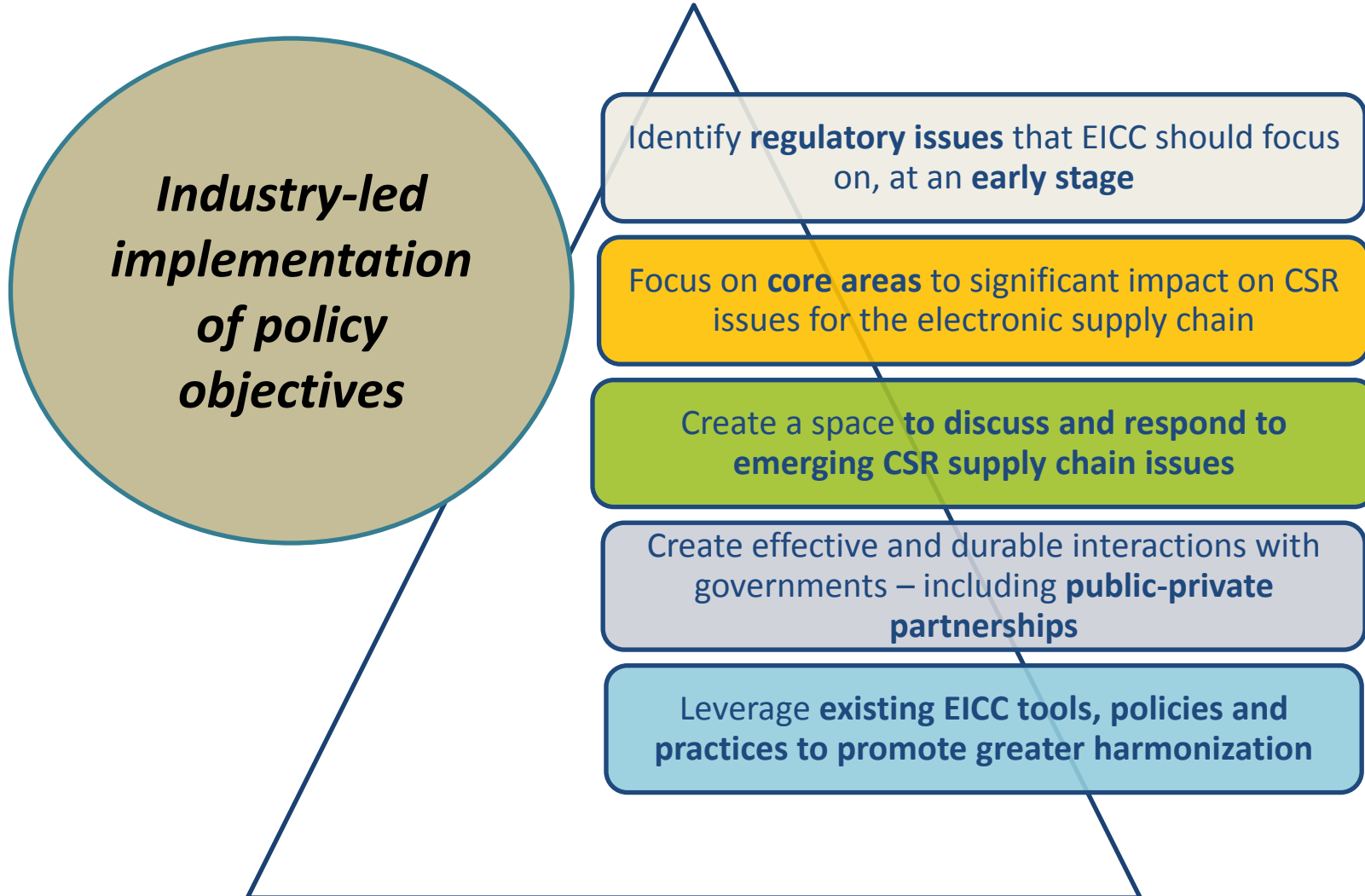
[Learn More and Join the Initiative](#)

# Role of EICC

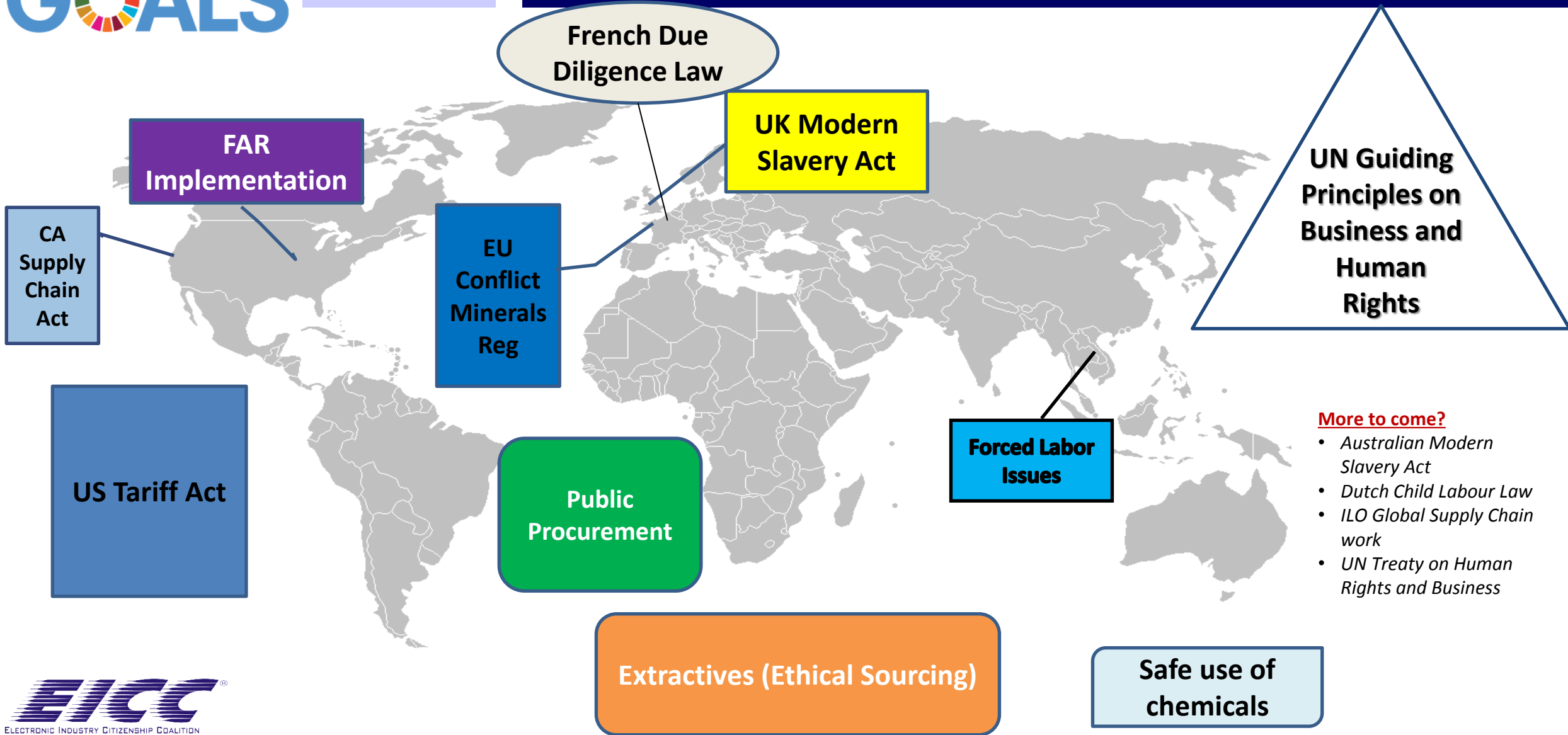
*Hub for public-  
private  
collaboration*



# Public Policy Objectives



# Global Regulatory Snapshot



French Due Diligence Law

UK Modern Slavery Act

FAR Implementation

CA Supply Chain Act

EU Conflict Minerals Reg

US Tariff Act

Public Procurement

Forced Labor Issues

Extractives (Ethical Sourcing)

Safe use of chemicals

UN Guiding Principles on Business and Human Rights

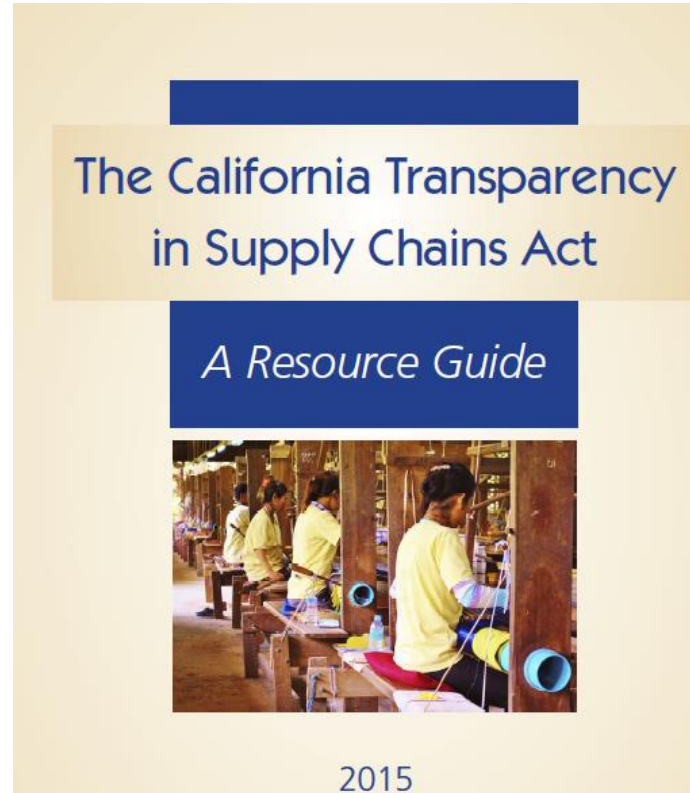
**More to come?**

- Australian Modern Slavery Act
- Dutch Child Labour Law
- ILO Global Supply Chain work
- UN Treaty on Human Rights and Business



# The History of EICC's Involvement in Forced Labor

The EICC CoC has addressed Freely Chosen Employment since its inception. However, increased exposure to forced labor conditions, as well as stakeholder expectations caused the industry to re-examine its policies, programs and assurance system.



Modern Slavery Act  
2015

CHAPTER 30



# Building Effective Grievance Mechanisms for Foreign Migrant Workers in Malaysia's Electronics Sector

Worker Survey



Worker – Management Communication



Worker Education (sending and receiving)



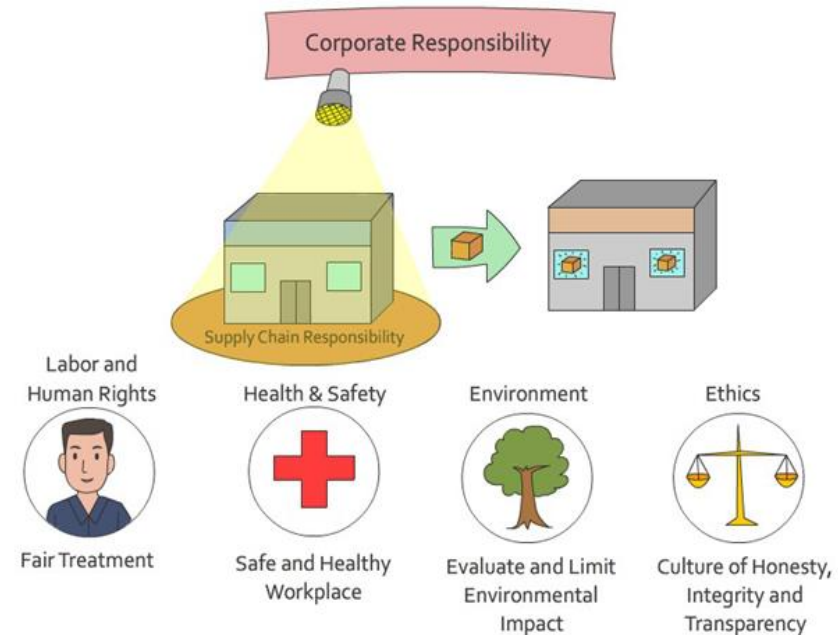
Helpline



# EICC e-Learning Academy

- ❑ Launched in Spring 2014, available to EICC members and their suppliers, whose learning can be tracked and reported on by member Team Leaders
- ❑ Over 50 modules in English and Chinese, and other languages
- ❑ Modules are interactive and feature on-screen and end-of-course quizzes, and certificate upon successful completion
- ❑ Trainings cover and are aligned with EICC Code elements
- ❑ Additional EICC resources such as webinars, toolkits and working group materials are also available
- ❑ In person trainings available (see website) on a variety of topics including EICC Code, VAP Audit Prep, EHS topics etc

## EICC Module 1: Supply Chain Responsibility



See Course Descriptions document online at:  
<http://www.eiccoalition.org/resources/training/>