Information and Communications Technology (ICT) Industry

Supply Chain Corporate Responsibility Initiative

Product-related Environmental and Social aspects in Supply Chain Mgt:
Lessons for the Electronics Sector
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The Centre, Brussels

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Key Drivers For Companies

- More outsourcing of components and total products to developing countries;

- Regulatory compliance;

- Customer/employee/shareholder expectations;

- Stakeholder expectations;

- Concerns for brand/reputation

Why Take An Industry Approach?

- Many ICT companies face the same issues;

- There are duplicate demands on suppliers in the sector;

- External stakeholders are demanding action from the sector;

- It makes sense to collaborate, establish common tools and practices, reduce duplication of effort and cost and increase efficiency.

ICT Sector Supply Chain Developments

SRIs & media interest in CSR

ICT Sustainable Development Group convened

Self Assessment tool completed
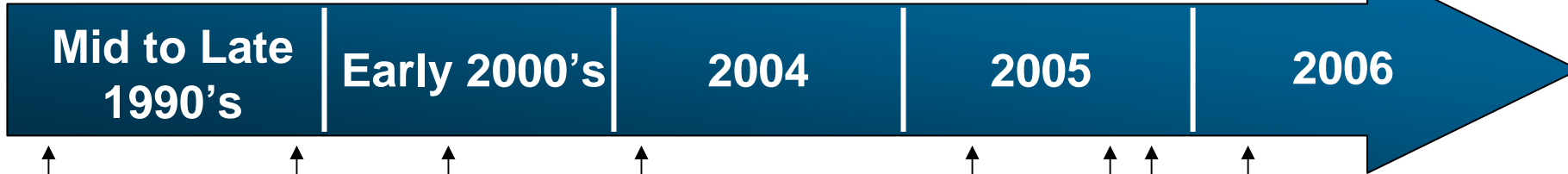
Capability building activities

Extensive Benchmarking

EICC Implementation Group established

Multi survey lessons learned

EICC website launched

EICC published

| Mid to Late 1990's | Early 2000's | 2004 | 2005 | 2006 |

Company supplier codes emerge

NGO/SRI Supply Chain focus increasing

EICC IG & GeSI collaboration

eTool Rev 1 release

EICC IG & GeSI MOU

Risk Assessment and Audit Tools

1st CSR Reports

GeSI SCWG formed

EICC
ELECTRONIC INDUSTRY CODE OF CONDUCT

Global e-Sustainability Initiative (GeSI)

What is GeSI?

Global e-Sustainabilty Initiative (GeSI)

- global

- industry led

- open to full ICT industry

- manufacturers, operators and regional associations

- partnered with UNEP and ITU

- addresses triple bottom line

www.gesi.org

ELECTRONIC INDUSTRY CODE OF CONDUCT

GeSI Members

Supply Chain Working Group: Microsoft : Nokia

GeSI Supply Chain Work Group (SCWG)

Purpose/Scope

- To promote good conduct and develop or improve tools, management practices, processes or systems to assist members in dealing with CR supply chain issues.

- Members shall share best practice and processes to promote and enhance the practical implementation of internationally recognised labour and environmental standards across the ICT supply chain.

Purpose/Scope

- Will support the work to improve social and environmental practices and outcomes in the global ICT sector supply chain.

- Shall apply the principle of "continuous improvement" to all of the deliverables specified in this plan. Furthermore, the SCWG understands that "leadership "and "transparency" will be driving themes of the work performed.

ELECTRONIC INDUSTRY CODE OF CONDUCT

Electronic Industry Supply Chain Code of Conduct Implementation Group

- Includes code writers and code adopters;

- Industry led;

- Manufacturers, contract manufacturers;

- Facilitated by BSR

www.eicc.info

Global e-Sustainability Initiative (GeSI)

Electronic Industry Code of Conduct Members

- **Purpose:** To promote the application of high social and environmental standards in the ICT Supply Chain

- **Vision:** Through the application of high standards to create better social, economic and environmental outcomes for all those involved in the ICT supply chain:

EICC IG/GeSI Collaboration

Objective

Develop and deploy a consistent set of **tools** and processes **to measure, monitor and improve** supply chain CR performance across the ICT sector.

Strategy

To achieve the above objective through the coordination of activities that are **common to each group's strategic plan**. Appling the principles of **continuous improvement** to all activities undertaken, leadership and **transparency** will be the driving themes for all work performed.

Benefits

- Safe working environments where workers are treated with respect and dignity

- Improved global environmental stewardship

- Increased efficiency and less duplication of effort for participants

- Greater alignment and understanding among participants about best practice in improving CR performance in the supply chain.

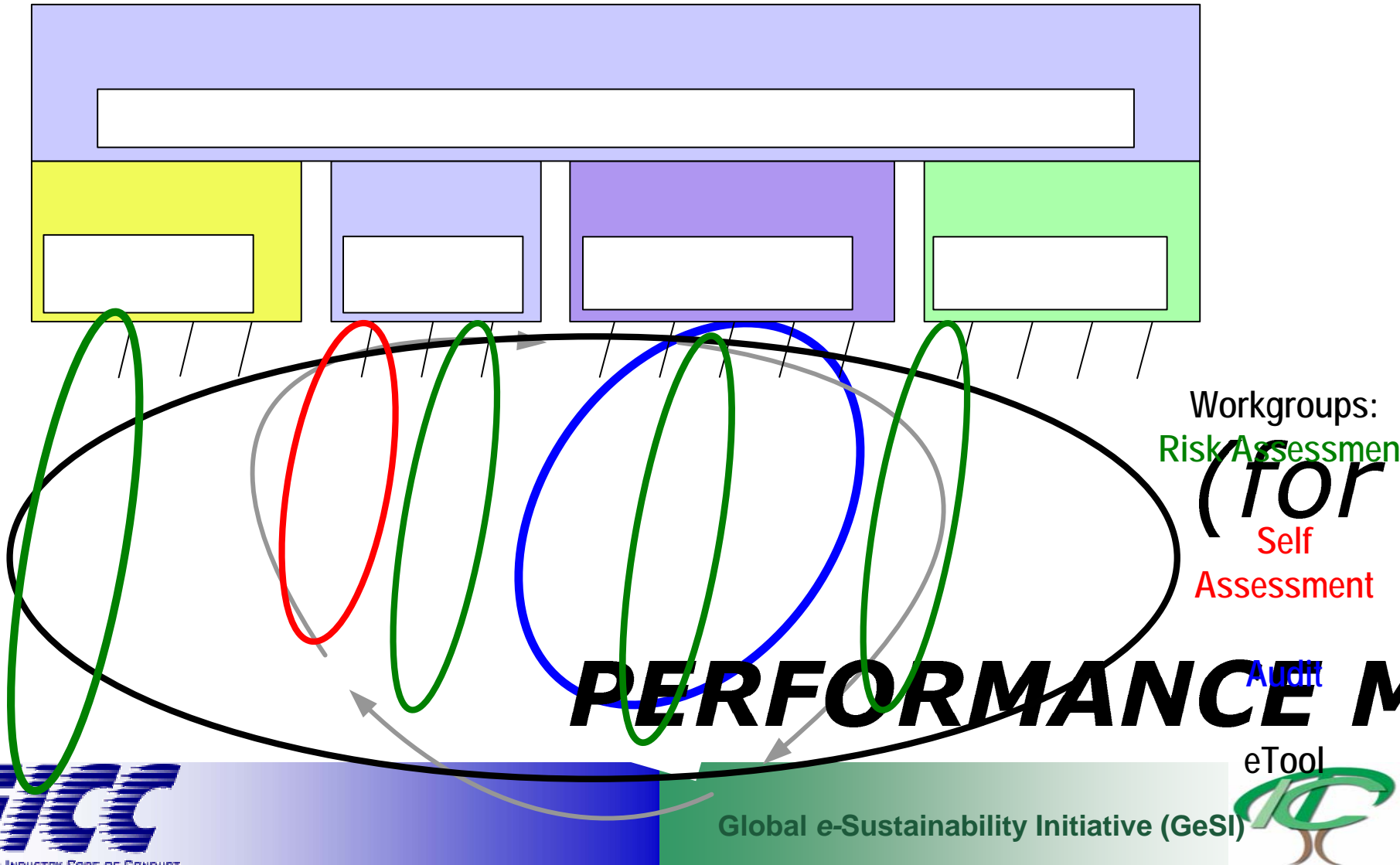- Involvement of key stakeholders by providing mechanisms for engagement

Deliverables of Collaboration

- A supplier self assessment questionnaire
- A risk assessment tool & methodology
- A common auditing approach/methodology
- A web based eTool to facilitate B⇨B information flow
- A capability building plan to improve CR performance in the supply chain.
- A common supply chain reporting methodology

Workgroups:
Risk Assessment
(for
Self
Assessment
PERFORMANCE M
Audit
eTool

Global e-Sustainability Initiative (GeSI)

ELECTRONIC INDUSTRY CODE OF CONDUCT

ICT Industry Collaboration

EICC Implementation Group

Board – Intel, HP, Dell, Microsoft

Steering Committee - Intel, HP, Dell, Microsoft, IBM, Cisco, Sony & CM Group (Celestica, Jabil, Flextronics, Sanmina-SCI & Solectron)

Members - Seagate, Lucent & Foxconn, ST

MOU

GeSI Supply Chain Workgroup

Co-Chairs - 02, Motorola

Work Group Members - BT, Vodafone, Panasonic, Nokia, Ericcson, HP, Microsoft, Verizon, Deutsche Telekom, Bell Canada.

Facilitator

WORKGROUPS

Secretariat

Global e-Sustainability Initiative
UNEP

| Risk Assessment led by EICC | Auditing led by EICC | Questionnaire led by GeSI | Web-Tool led by GeSI |

Global e-Sustainability Initiative (GeSI)

Achievements And Timescales

⇨ **Self Assessment Questionnaire**
October 2005
Completed and published in English, Spanish and Mandarin versions.
Downloadable from www.GeSI.com and www.eicc.info

⇨ **Risk Assessment Tool**
January 2006
Phase I risk tool completed
Q3 2006
Phase II risk tool – self assessment questionnaire

⇨ **Web based Data Management Tool**
Q2 2006
Development contract awarded to Achilles
Q4 2006
First release of tool

Achievements And Timescales

⇨ **Common Audit Approach**
 Q3 2006
 Launch of common audit checklist

⇨ **Capability Building**
 Q4 2006
 Strategy complete

⇨ **Reporting Framework**
 TBD
 Progressive Indicators for Sector Improvements

Some Lessons Learned

- Having an industry body has helped (GeSI);

- High level of company commitment is needed;

- Alignment of objectives is key;

- Important to be action oriented;

- Important to be inclusive;

- Engagement with Stakeholders;

- A lot is transferable to other sectors;

- Implementation is key.

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