

THE SOCIAL AND ECONOMIC JUSTICE DIALOGUE

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ELECTRONIC INDUSTRY ADOPTS VOLUNTARY CODE OF CONDUCT FOR SUPPLY CHAIN OPERATIONS, SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

IMPORTANT NEWS THIS WEEK:

Social Responsibility Platform for the Global Electronics Industry Unveiled

Leading companies in the nation's electronic industry have just created an Industry Code of Conduct for Supply Chain Operations and Social and Environmental Responsibility.

This week, an industry-wide Code of Conduct was unveiled by the global leaders in electronics manufacture and services – by **Hewlett-Packard, IBM, Dell Computers, Solectron, Sanminia SCI, Jabil, Celestica, and Flextronics**. Other companies are being encouraged to sign on to the Code, which covers a wide range of economic and social justice issues – worldwide.

The purpose of the industry code is to ensure that working conditions in the industry's global supply chain are safe, that all workers are treated with dignity and respect, and that primary and subcontractor's manufacturing processes are environmentally responsible. Adoption of the Code is voluntary and the standards suggested are intended for "Original Equipment Manufacturers" — OEM's, such as the familiar HP, IBM and Dell — that design, market, manufacture, and service the goods and services that are used to produce business and consumer electronic products.

Here is what is covered:

Labor Standards

Participating companies signing on to the Code must agreed to uphold the human rights of workers, to treat them with dignity and respect, as understood by the international community. This means no forced, bonded or indentured labor – and certainly no involuntary prison labor to be used in manufacturing. No child labor in any stage of manufacturing is permitted. (Child being anyone under age 15 or 14 where the local law permits). No hazardous work under the age of 18. Workers shall have the right of free association.

Health and Safety

Signers must recognize that the quality of their goods and services, consistency of production, and workers' morale are all enhanced by a safe and healthy work environment. Occupational and health and safety standards must be adhered to, including those covering machine safeguards, industrial hygiene, safety hazard elimination, emergency preparedness, occupational injury and illness, physically demanding work, and dormitory and food service.

Environmental

The fundamentals of excellence in corporate environmental responsibility require recognition that [demonstrated corporate responsibility] is essential to the production of world-class products. Adverse effects on the ecosystem must be minimized and public health (and safety) must be protected by all involved in the global electronics supply chain. Global standards such as ISO 14001 (covering environmental performance) and others provide a framework for the Code.

Environmental responsibilities to be addressed include product content, chemical and hazardous materials, wastewater and solid waste, air emissions, environmental permits, disclosure and reporting, pollution prevention, and waste reduction. Companies are expected to reduce and eliminate waste at the source through comprehensive recycling, re-use of materials, conservation, and better management of production and facility maintenance.

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Electronic Industry Adopts Voluntary Code of Conduct For Supply Chain Operations, Social and Environmental Responsibility (continued)

**Management Systems –
The Important Accountabilities**

Managers of companies signing on to the Code must agree to establish a system to ensure compliance with the Code as well as with all applicable laws, regulations, customer requirements, and other factors. Company commitment to the Code’s goals and objectives is critical.

Management must agree to be accountable. They must train their employees and managers on Code policies and implementation. There must be a process in place to broadly communicate the values in the Code. There must be audits for compliance, and corrective actions taken where the company’s employees or suppliers stray from Code standards. Finally, records should be kept to ensure regulatory compliance and conformity with standards.

Ethics / Ethical Behavior

To meet the expectations of stakeholders in terms of Corporate Social Responsibility – and this would include faith-based investors and advocates, as well as consumers interested in social and economic justice issues – signers must agree to uphold the highest standards of ethics.

Such as –

- No corruption, extortion or embezzlement will be allowed by employees. Companies to agree wrongdoers will be fired. Legal action should be pursued where appropriate.
- Full disclosure covering business activities, corporate structure, finances, performance, following regulations and prevailing industry practices.
- No bribery permitted by companies. No unfair advantaged to be sought.
- Fair business, advertising and competition standards must be upheld.
- Whistleblowers must be protected.
- Communities must be engaged to help foster social and economic development.
- Intellectual property must be respected and protected.

This far-reaching platform could set a floor for standards for corporate conduct and behavior around the globe – and not just in the electronics industry. Each of the companies involved in developing the Code had their own respective codes of conduct; this approach provides one set of stringent standards for every company in the worldwide electronics industry supply chain. Other industries will be urged to adopt similar codes for compliance. Most encouraging: Universal, higher standards for social and economic justice are now being clearly communicated to global business leaders, the media, academic centers and thought leaders. The bar has been raised high for corporate management and boards by the leadership of the electronics industry.

YOU CAN LEARN MORE AT:

www.hp.com/hpinfo/globalcitizenship/environment
(Hewlett-Packard Corporate Web site;
download a copy of the Code at the link below)

www.ilo.org/public/english/protection/safework/cops/download/e000013.pdf
(For information on the
International Labor Organization’s
Code of Practice in Safety and Health)

www.unglobalcompact.org
(United Nations Global Compact
for corporations)

This information is provided by
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The dialogue is intended to help further understanding
of current events and trends in social and economic justice,
and in corporate social responsibility.

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