

## EICC-GeSI

# SELF ASSESSMENT QUESTIONNAIRE (SAQ) OVERVIEW

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Information and Communication Technology companies (working through the Electronics Industry Citizenship Coalition (EICC) [www.eicc.info](http://www.eicc.info) and Global e-Sustainability Initiative (GeSI) [www.gesi.org](http://www.gesi.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 ICT industry are safe, that 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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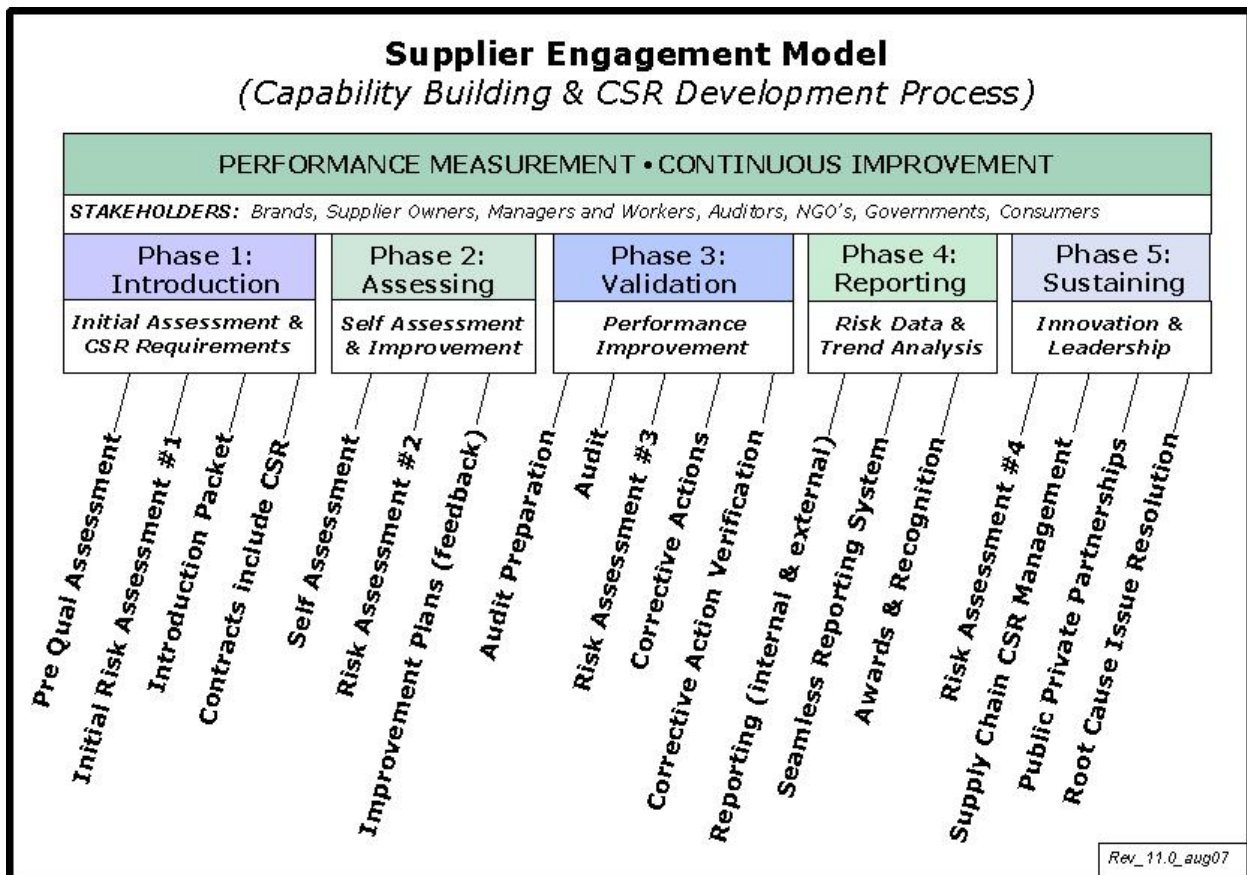
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## 1.0 Introduction

The Information and Communications Technology (ICT) Self-Assessment Questionnaire (SAQ) is one of the tools currently utilized by Global e-Sustainability Initiative (GeSI) and Electronics Industry Citizenship Coalition (EICC) members to assess corporate responsibility (CR) risk within their individual company’s global supply chain. The SAQ is utilized during “Phase 2” of the overall Supplier Engagement Model (as seen below).



This SAQ Overview document is intended to provide a better contextual understanding of the SAQ, in ways that are not presented within the SAQ tool itself. This Overview discusses the SAQ’s purpose, the framework upon which it is based, its two levels of assessment and scoring system, and the definition of terminology used within the SAQ.

## 2.0 Purpose

GeSI and EICC primarily created the SAQ and the associated risk assessment scoring system (RA2) as common tools for assessing existing CR risk at supply chain facilities. Sources of this risk within a facility or at the corporate level are either inherent in the operation or program-related. The presence of

specific activities within or attributes of an operation can be risk factors for potential CR issues. The SAQ balances assessment of these risk factors with evaluation of the degree to which measures have been implemented to reduce the likelihood of CR issues.

This SAQ is not intended to measure CR performance. The output of the tool and associated scoring system do not necessarily indicate how well a company is managing its CR risk. For some elements the tool can be used to identify the need for managing risk; however implementation of such opportunities may not necessarily impact questionnaire assessment results.

Individual companies are encouraged to proactively use the SAQ and RA2 to identify potential risks and begin implementing actions where appropriate to reduce those risks ahead of any customer requests.

These tools can also be used by customers to determine one or more of the following:

- Which suppliers to audit
- Which suppliers to audit first, and which later
- What issues to focus on during an audit of a supplier

### 3.0 Framework

The Company-level and Facility-level questionnaires cover four areas of social responsibility: Labor Management, Ethical Conduct, Health & Safety and Environment. It also addresses the systems which are expected to be in place to effectively manage these different areas. Specific issues that fall under each area reflect the elements of the EICC Code of Conduct standards (see below). These topics are also frequently found in many company supplier codes of conduct.



## 4.0 The 2 Levels of Assessment: Corporate and Facility

The SAQ utilizes a standardized list of questions to assess labor, ethics, health, safety and environmental practices in the supply chain. It raises supplier awareness about the importance of these areas, clarifies customer expectations, supports customer assessment of supplier's characteristics and potential risks, and enables suppliers to evaluate, improve and communicate their performance. The SAQ is divided into two kinds of assessment, a Corporate Assessment and a Facility Assessment to assess management of CR issues both at the corporate and facility level (in other words, across the company and within specific operations). A company would complete one Corporate Assessment and one or more Facility Assessments depending on the structure of the company.

**Corporate-Level Self-Assessment** - examines the business entity which owns/controls operations and/or assets of other business entities (facilities). The Corporate Assessment would examine the corporate headquarters entity.

**Facility-Level Self-Assessment**- is used to evaluate the specific facilities that make up the company. While they cover the same general content areas, the Facility-level questionnaire goes into much more detail than the Corporate-Level questionnaire. It examines site-specific conditions and processes which may contribute to various Ethics, Labor, Environmental or Health and Safety risks. Facility and "site" shall be used interchangeably.

## 5.0 Completion of the SAQ

The intent of the questionnaires is to promote an open and constructive dialogue between suppliers and customers regarding best practices in the management of environmental and social responsibility. An honest and transparent company self-assessment, both at the Corporate and Facility-level represents a first step toward working with customers to improve management systems and overall performance. Companies will be expected to demonstrate their continuous improvement through periodic updates of the questionnaire, based on a schedule to be established with their customers.

Consideration should be given to the amount of time required to complete the questionnaires. Customer requests for completion of the SAQ should be acted upon promptly. Due to the breadth of topics covered by the questions (including Ethical, Labor, Environmental, Health and Safety), the involvement of a number of different corporate and site-level organizations will be required in order to effectively complete this assessment. Although actual time is highly dependent upon the maturity of the supplier's CR systems and the participation of the above groups, collection of the information necessary to answer all of the questions can be expected to take as long as 2 to 3 weeks. The time allotted to complete the questionnaires will be dependent upon customer requirements however; it should consider the above factors to ensure proper completion.

There are two primary means for completing the self-assessment questionnaire: online and hardcopy. The recommended and most efficient method is the online tool, E-TASC, which is available at

<http://www.e-tasc.com>. E-TASC contains an interactive user interface and facilitates the secure confidential sharing of questionnaires with multiple customers. Users of E-TASC must pay a nominal fee which goes toward the maintenance and development of the system.

The hardcopy version is available at the GeSI and EICC websites (<http://www.gesi.org> and <http://www.eicc.info>) for downloading and printing.

## 6.0 SAQ Scoring System Description

### Introduction

Users of the GeSI and EICC tools are free to interpret their results as deemed appropriate for their organizations. The creators of the SAQ saw it as one way to help focus supply chain CR efforts where most beneficial.

It is important to keep in mind the RA2 scoring system for the SAQ is an **indicator of the potential risk of non-compliance**, rather than being an indicator of performance. For example, a facility with a large number of temporary contract workers living in dorms and eating in a facility canteen will be of higher risk than a facility with no contract workers, dorms or canteen – even if an audit subsequently shows that the facility is of higher performance and quality.

### SAQ Inputs

- ❑ Each SAQ question has a weighting – not scored (0); low risk (1); medium risk (2) and high risk (3+)
- ❑ For scored questions, each potential response has an associated value or “mark”.
- ❑ The response values range from 0 to 3 – with 3 being the best and 0 being the worst
- ❑ Note that sometimes “Y” is a good answer (e.g. “is there a policy in place?”) and sometimes “Y” is a bad answer (e.g. “has there been an explosion?”)
- ❑ \*Questions which are not applicable because the condition does not exist at the company (e.g., no dormitories) are not included in the calculation of the score.
- ❑ \*Follow-up questions which are not applicable based on a negative response to an earlier question are counted in the scoring (e.g., follow-up questions covering the details of a policy when that policy does not exist).

- ❑ Each Self Assessment Question then gets a Weighted Score; Weight x Score = Weighted Score

\*Note: The online version of the SAQ in the E-TASC system automatically hides these questions and modifies the scoring appropriately.

### RA2 Outputs

There are two outputs to the RA2: numerical scores; and critical non-conforming questions.

- ❑ Numerical scores provide relative risk ratings and permit the quick identification of the highest risk areas for a supplier. These scores are expressed as a percentage - the higher the percentage, the lower the risk
  - The output scores are color-coded according to risk:
    - ❑ Green = 85%+ = Low Risk
    - ❑ Yellow = 65% - 84.99% = Medium Risk
    - ❑ Red = Below 65% = High Risk
  - Scores are available broken down into: categories or topics of Labor, Ethics, Health & Safety and Environment; each Self Assessment Questionnaire sub category (e.g. Child Labor); and at the Corporate and Facility level.
  - Note that there may be some questions that will be relevant for more than one category – for example, management system questions
- ❑ Critical non-conforming questions provide another view of those areas of potential CR risk. The critical or high risk questions are those questions weighted as “3” or higher. If such a question is accompanied by a non-compliant response (response value of 0) then that question is designated a critical non-conforming question. One feature of E-TASC is the provision of a Best Practice for every critical non-conforming question in a submitted SAQ. This is designed to help both the supplier and customer focus on the most important issues.
- ❑ These RA2 scoring elements are only available in E-TASC.

### Weighting Conventions

The GeSI and EICC working group applied the following general weighting conventions when assigning the default weightings. There may be some deviations from these as determined appropriate by the working group.

### Corporate Level Questions

3+	<input type="checkbox"/> Existence of Policy <input type="checkbox"/> Risk Assessment in Company <input type="checkbox"/> Incidents (e.g. fires, explosions)
2	<input type="checkbox"/> Scope of Policy and Internal Communications <input type="checkbox"/> Contract with Suppliers <input type="checkbox"/> Risk Assessment of Suppliers <input type="checkbox"/> Audits and Corrective Actions
1	<input type="checkbox"/> Management Representative <input type="checkbox"/> Contact Information <input type="checkbox"/> Policy Application at All Facilities <input type="checkbox"/> Commitment to Continuous Improvement <input type="checkbox"/> Expect voluntary adoption by suppliers <input type="checkbox"/> Management System Approach, Level of Implementation, Documentation, Review, Objectives <input type="checkbox"/> External Communication <input type="checkbox"/> Examples of good practice (e.g. Awards)
0	<input type="checkbox"/> For information questions

### Facility Level Management Systems Questions

3+	<input type="checkbox"/> Incidents (e.g. fires, explosions, protests) <input type="checkbox"/> Management Representative <input type="checkbox"/> Prosecutions <input type="checkbox"/> Existence of Policy <input type="checkbox"/> Temporary Contracts <input type="checkbox"/> Risk Assessment at the Facility
2	<input type="checkbox"/> Scope of Policy and Internal Communications <input type="checkbox"/> Contract with Suppliers <input type="checkbox"/> Expect voluntary adoption by suppliers <input type="checkbox"/> Management Systems Approach, Level of Implementation, Review, Objectives <input type="checkbox"/> Risk Assessment of Suppliers <input type="checkbox"/> Audits and Corrective Actions
1	<input type="checkbox"/> Management System Documentation and Tracking System <input type="checkbox"/> External Communication <input type="checkbox"/> Examples of good practice (e.g. Awards)
0	<input type="checkbox"/> For Information Questions

### Facility Level Code Standards

These questions were weighted on a case-by-base basis depending on the issue.

## 7.0 SAQ Glossary of Terms

Term	Definition
<b>Audit</b>	All processes and procedures employed to evaluate and provide a comprehensive report on a Supplier's social and environmental performance
<b>Capability Building</b>	Capability building aims to increase the sum of expertise and capacity, including training and education of managers and employees in the supply chain.
<b>Company</b>	“Company” refers to the business entity which owns/controls operations and/or assets of other business entities (facilities). The Company would include a primary corporate headquarters entity that would respond to the corporate section of the Self Assessment Questionnaire. Specific facilities that are under this Companies corporate management would complete the facility section of the Self Assessment Questionnaire. The total company Self Assessment Questionnaire consists of a corporate section and potentially 1 or more facility sections.
<b>CR</b>	Corporate Responsibility - (CR) is the voluntary commitment of enterprises to account for the social, environmental and economic impacts of their business.
<b>Customer</b>	<p>Purchaser of products and/or services; a Subscriber who invites Suppliers to register in E-TASC;</p> <p>Not to be confused with the term "Buyer" which is used to refer to a specific individuals role in the E-TASC system.</p>

<b>EICC</b>	<p>The Electronic Industry Citizenship Coalition (EICC) Group is a coalition of companies in the electronics sector. These companies have come together in their common interest to voluntarily improve working conditions and environmental stewardship throughout the electronics supply chain. This group aligned around a common “code of conduct” for electronics companies - the EICC code. The code covers expectations for performance across a range of issues including labor, health &amp; safety, environmental practices, ethics and management systems. For a list of current EICC members go to the EICC website at <a href="http://www.eicc.info">http://www.eicc.info</a>.</p>
<b>E-TASC</b>	<p>E-TASC (Electronics - Tool for Accountable Supply Chains) is a web-enabled system for Information and Communications Technology (ICT) companies to manage corporate responsibility (CR) throughout their supply chains in an efficient manner.</p>
<b>Facility</b>	<p>Production unit, administration unit, service unit or any combination thereof under common corporate management, located on a single plot of land or multiple adjacent plots of land. With regard to service units only, it will be acceptable to consider as a facility discrete units located on multiple non-adjacent plots of land within the boundaries of a single administrative (government) entity possessing a uniform legal system, no smaller than state/province or its equivalent and no larger than a country. Facility and “site” shall be used interchangeably.</p>
<b>GeSI</b>	<p>"Global e-Sustainability Initiative" - A global partnership of Information and Communications Technology (ICT) companies that promotes technologies for a sustainable development. . For a list of current GeSI members go to the GeSI website at <a href="http://www.gesi.org">http://www.gesi.org</a>.</p>
<b>ICT</b>	<p>The Information and Communication Technology (ICT) sector includes industries primarily engaged in producing goods or services, or supplying technologies, used to process, transmit or receive information. Companies in the ICT sector or ICT supply chain include original equipment manufacturers (OEMs), electronic manufacturing services (EMS) firms, original design manufacturers (ODMs), component and part manufacturers, ICT R&amp;D companies, service providers and network operators.</p>

<p><b>Risk Assessment 1 (RA1)</b></p>	<p>An EICC and GeSI developed tool, the RA1 is the first level of risk assessment in the supplier engagement model within the E-TASC system. The "risk" being assessed is non-conformance risk (likelihood of non-conformance) and reputation risk (the significance of non-conformance risk to the customer). This assessment is based on objective criteria (such as company's geographical location), and is not determined by company's individual performance and should not be a sole basis of a decision whether or not to do business with the company. The purpose of the Risk Assessment 1 (RA1) is to help companies prioritize and focus efforts on the greatest areas of potential risk.</p>
<p><b>Risk Assessment 2 (RA2)</b></p>	<p>An EICC and GeSI developed tool, the RA2 is the second level of risk assessment in the supplier engagement model within the E-TASC system. The scored information from a completed Self Assessment Questionnaire primarily indicates the level of potential risk. Risk potential is the determination of key supplier characteristics (e.g., hazardous materials, contract workers) relevant to inherent risk parameters, e.g., likelihood, severity, exposure or inherent vulnerability. The RA2 has a secondary benefit of indicating a supplier's potential conformance to the EICC and other supplier CR codes.</p>
<p><b>SAQ</b></p>	<p>The Self Assessment Questionnaire (SAQ) is a standardized list of questions to be used to improve labor, ethics, health, safety and environmental practices in the supply chain. It raises supplier awareness about the importance of these areas, clarifies customer expectations, supports customer assessment of suppliers' characteristics and potential risks, and enables suppliers to evaluate, improve and communicate their performance.</p>
<p><b>Supplier Engagement Model</b></p>	<p>Refers to a specific 'model' (set of principles/templates) that defines the common supplier engagement business process which the industry groups are developing into tools and processes.</p>