

## **Philips Supplier Sustainability Involvement Program**

### **AUDIT QUESTION LIST 2010**

**Aligned to EICC Code of Conduct Version 3 (2009), EICC Audit Question List  
Version 6.0 (Dec 2009)**

**Philips Revision – 1<sup>st</sup> May 2010**

Philips believe achieving a sustainable supply base is about taking care of workers' lives and the environment. The Philips Supplier Sustainability Audit is an assessment for labor, ethics, health, safety and environmental practices against the EICC code of conduct, laws, and regulations. The audit result will be used as a starting point to support Suppliers improve their performance.

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## Document Purpose

This document summarizes the Philips EICC Audit questions assessed during Philips EICC Audit. The questions are color coding with RED/ORANGE/YELLOW according to a pre-determined issue severity and urgency. All RED and ORANGE questions are major issues in EICC audit questions classification. All YELLOW questions are minor issues in EICC audit question classification.

## 1. Validated Audit Sections

The audit questions assess conformance to the EICC Code of Conduct, Philips Supplier Sustainability Declaration, laws and regulations. These questions are organized according to the EICC Code of Conduct provisions, available in <http://www.philips.com/about/sustainability/oursustainabilityfocus/suppliersustainability.page>.

The document is organized according to the following sections:

- A.) [Labor](#)
- B.) [Health & Safety](#)
- C.) [Environment](#)
- D-EHS.) [Environment, Health, Safety Management Systems](#)
- D-LE.) [Labor & Ethics Management System](#)
- E.) [Ethics](#)
- G.) [General](#)

2. Validated Audit Question List

| EICC-GeSI Validated Audit Process (VAP) Audit Questionnaire – Version 6 |      |                      |   |
|---|------|----------------------|---|
| Section - Sub Section   | ID   | Philips color coding | Audit Questions by Section  |
| <b>A ) LABOR</b>  |      |                      |   |
| <b>A1) Freely Chosen Employment</b>                                     | A1.1 | red                  | The facility does not use any type of forced, prison, indentured, or bonded labor.  |
|   | A1.2 | orange               | Are labor contracts signed with workers, where legally required?  |
|   | A1.3 | yellow               | Do workers have a copy of their signed labor contract?  |
|   | A1.4 | yellow               | The facility/labor agent (if applicable) does not withhold workers' government-issued identification (passports or work permits) upon hire.         |
|   | A1.5 | yellow               | The facility/labor agent (if applicable) assures that its workers are free to quit their job and leave upon reasonable notice, with no penalty.     |
|   | A1.6 | yellow               | Workers are not required to pay a deposit upon being hired.   |
|   | A1.7 | yellow               | The facility assures that its workers are free to enter and exit the facility and housing during their non-work hours except as required by law.    |
|   | A1.8 | yellow               | Are workers free to choose and use external medical facilities ?  |
|   | A1.9 | yellow               | Are workers allowed access to basic liberties?  |
| <b>A2) Child Labor Avoidance</b>  | A2.1 | red                  | There are no workers below the minimum age working at the facility.   |
|   | A2.2 | yellow               | The facility reviews, validates and keeps on file legal proof of age documentation upon hire for all potential workers.                             |
|   | A2.3 | yellow               | The facility has a procedure to respond to discovery of workers below the legal age.  |
|   | A2.4 | yellow               | Does the facility consider access to basic educational needs for workers below the age for compulsory education?                                    |
|   | A2.5 | yellow               | Facility does not allow that workers under the age of 18 to perform work that is likely to jeopardize the health and safety of these young workers. |

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|                        |  |      |        |   |
|------------------------|--|------|--------|---|
|                        |  | A2.6 | yellow | Does the facility have a clear program for hiring, training, and promoting apprentices?   |
| A3) Working Hours      |  | A3.1 | yellow | Is there a written procedure in place to determine, manage and control overtime?  |
|                        |  | A3.2 | orange | Are workers allowed legally mandated breaks, holidays and vacation days to which they are legally entitled?   |
|                        |  | A3.3 | yellow | Are legal working hours and facility working hours communicated to all workers?   |
|                        |  | A3.4 | red    | Does the facility keep reliable records of workers' standard and overtime hours?  |
|                        |  | A3.5 | red    | The average hours worked in a work week over the last 12 months at this facility does not exceed 60 hours or the legal limit (whichever is stricter). |
|                        |  | A3.6 | red    | Are workers provided with at least one (1) day off per every seven (7) days on average?   |
| A4) Wages and Benefits |  | A4.1 | yellow | Are wage calculations clearly communicated to workers using pay stub or similar documentation?  |
|                        |  | A4.2 | red    | Is legal compensation for regular hours paid to all workers?  |
|                        |  | A4.3 | red    | Is the overtime wage calculated and paid at the premium as legally required?  |
|                        |  | A4.4 | yellow | Does the facility provide social insurance scheme as required by local law?   |
|                        |  | A4.5 | yellow | The facility does not delay or withhold payments to workers.  |
|                        |  | A4.6 | orange | Disciplinary wage deductions are not employed by the facility.  |
|                        |  | A4.7 | yellow | Are deductions or withholdings calculated correctly?  |
|                        |  | A4.8 | orange | Are deductions or withholdings submitted to the appropriate government agency within the time frame specified in the applicable local labor law?      |
|                        |  | A4.9 | orange | If the facility employs indirect workers, do indirect workers receive legally mandated benefits in addition to their wages?                           |
| A5) Humane Treatment   |  | A5.1 | yellow | Does the facility provide workers with written rules and regulations regarding disciplinary procedures?   |
|                        |  | A5.2 | yellow | Are the disciplinary procedures humane?   |
|                        |  | A5.3 | yellow | Are disciplinary actions tracked and consistent with the procedures?  |
|                        |  | A5.4 | yellow | Are managers and supervisors trained on appropriate disciplinary measures?  |

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|  |             |        |   |
|--|-------------|--------|---|
|  | <b>A5.5</b> | yellow | Does the facility have procedures to investigate reports and, if appropriate, to discipline those that commit acts of harsh or inhumane treatment against workers?  |
|  | <b>A5.6</b> | red    | There is no evidence of sexual harassment or abuse, corporal punishment, mental or physical coercion, verbal abuse or intimidation occurring at the facility.   |
|  | <b>A5.7</b> | yellow | Are workers permitted time off when ill or for maternity?   |
| <b>A6) Non-Discrimination</b>                  | <b>A6.1</b> | yellow | Facility has written policies that ban discrimination.  |
|  | <b>A6.2</b> | red    | There is no evidence of discrimination based on grounds of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status. |
| <b>A7) Freedom of Association</b>              | <b>A7.1</b> | yellow | Does the facility communicate to workers their rights related to freedom of association?  |
|  | <b>A7.2</b> | yellow | Are there procedures and opportunities for workers to communicate openly with management regarding working conditions without fear of reprisal or intimidation?   |
|  | <b>A7.3</b> | red    | Does the facility respect the legal rights of workers for free association?   |
|  | <b>A7.4</b> | yellow | There is no evidence of unequal treatment between employee representative(s) and other workers.   |
|  | <b>A7.5</b> | yellow | Does the facility refrain from interference with or finance of labor organizations with the objective to place such organization under the control of the facility?   |
|  | <b>A7.6</b> | yellow | When the workers automatically enroll in union or other forms of worker representation when being employed, are they been informed regarding to this enrollment?  |
| <b>B ) HEALTH &amp; SAFETY</b>                 |             |        |   |
| <b>B1) Occupational Safety</b>                 | <b>B1.1</b> | yellow | Has the facility implemented programs to identify, evaluate and control worker exposure to safety hazards?  |
|  | <b>B1.2</b> | red    | Has the facility effectively controlled worker exposures to safety hazards (e.g. electrical shock hazards, forklifts, etc.)?  |
|  | <b>B1.3</b> | yellow | Do worker interviews reveal that production workers have a basic understanding of the workplace safety hazards, hazard control programs and safe work procedures?   |
|  | <b>B1.4</b> | yellow | If the use of personal protective equipment (PPE), such as safety glasses, safety shoes and hardhats, is required to control safety hazards, is the equipment consistently and correctly used where required?   |
|  | <b>B1.5</b> | yellow | Workers are not disciplined for raising safety concerns.  |
| <b>B2) Emergency Preparedness and Response</b> | <b>B2.1</b> | red    | Are fire detection and suppression systems adequate for the nature of the facility's operations?  |
|  | <b>B2.2</b> | orange | Has the facility adequately identified the likely types of emergencies that could affect the site and implemented appropriate preparedness and response programs to address them?                               |

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|  |             |        |   |
|--|-------------|--------|---|
|  | <b>B2.3</b> | red    | Are emergency exits, aisles and stairways adequate in number and location, readily accessible, and properly maintained?   |
|  | <b>B2.4</b> | yellow | Can the responsible person(s) adequately explain the facility's emergency preparedness and response program(s), including their responsibilities?   |
|  | <b>B2.5</b> | yellow | Did the worker interviews reveal that workers know what to do in the event of a fire or other emergency situation?  |
|  | <b>B2.6</b> | orange | Is the facility's program of emergency evacuation drills adequate?  |
|  | <b>B2.7</b> | yellow | Did the worker interviews confirm that there has been an emergency evacuation drill for all work areas and shifts in the last 12 months?  |
|  | <b>B2.8</b> | red    | Does the facility have an adequate set of written emergency response plans and procedures in the event of a release of a chemical or material which could pose a hazard to the environment?   |
|  | <b>B2.9</b> | yellow | Do workers involved in the control, clean-up and disposal of hazardous materials receive regular training on emergency response plans and actions?  |
| <b>B3) Occupational Injury and Illness</b> | <b>B3.1</b> | orange | If there were work-related injuries in the past three years, did the facility perform investigations to determine root cause(s) and implement corrective actions?   |
|  | <b>B3.2</b> | yellow | Is injury/illness and incident data analyzed and utilized to reduce accidents?  |
|  | <b>B3.3</b> | orange | Does the facility have a process in place to provide medical treatment for injured or ill workers?  |
|  | <b>B3.4</b> | yellow | Did the worker interviews reveal that they know what to do in the event they are injured or become ill on the job?  |
| <b>B4) Industrial Hygiene</b>              | <b>B4.1</b> | yellow | Has the facility implemented a program to identify, evaluate and control worker exposure to chemical, physical and biological agents?   |
|  | <b>B4.2</b> | yellow | Does the responsible person have a clear understanding of the need for industrial hygiene sampling, including the applicable legal requirements?  |
|  | <b>B4.3</b> | red    | Has the facility implemented appropriate controls for worker exposures to chemical, biological and physical agents that exceeded legal requirements?  |
|  | <b>B4.4</b> | yellow | If the use of personal protective equipment (PPE), such as respirators and hearing protection, is required to control worker exposures, is it consistently used where required?   |
| <b>B5) Physically Demanding Work</b>       | <b>B5.1</b> | yellow | Has the facility implemented an adequate program to identify, evaluate and control worker exposure to physically demanding work, such as manual handling, heavy lifting, highly repetitive tasks, and other physically demanding jobs to prevent work-related injuries? |
|  | <b>B5.2</b> | red    | Has the facility effectively controlled worker exposures to the hazards of physically demanding work (e.g. use of mechanical lifting aids, power hand tools, process automation, etc.)?   |
|  | <b>B5.3</b> | yellow | Did the worker interviews reveal adequate efforts by the facility to control ergonomic hazards, including training for workers?   |
| <b>B6) Machine Safeguarding</b>            | <b>B6.1</b> | yellow | Can the responsible person explain the applicable legal requirements and regulations for machine safety?  |

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|  |             |        |   |
|--|-------------|--------|---|
|  | <b>B6.2</b> | yellow | Does the facility have a machine safeguarding program?  |
|  | <b>B6.3</b> | red    | Are points of operation and other potentially dangerous parts properly guarded, isolated and maintained?  |
|  | <b>B6.4</b> | red    | Do workers operate machinery safely, including proper use of machine safeguards and emergency stop switches?  |
|  | <b>B6.5</b> | yellow | Do maintenance records verify that safety devices are included in a routine preventative maintenance program?   |
| <b>B7) Dormitory and Canteen</b>                       | <b>B7.1</b> | yellow | Are workers provided with ready access to clean toilet facilities and potable water?  |
|  | <b>B7.2</b> | red    | Are dormitories clean, safe and well maintained, including adequate heat, lighting, hot water for bathing or showering, and emergency exit facilities?  |
|  | <b>B7.3</b> | yellow | Do worker interviews reveal that dormitories provide workers with sufficient space?   |
|  | <b>B7.4</b> | yellow | Can workers enter or leave the dormitory during or after working hours without unreasonable restrictions?   |
|  | <b>B7.5</b> | orange | Are canteens (cafeterias) clean, well maintained, and managed in compliance with local health regulations?  |
|  | <b>B7.6</b> | yellow | Does the facility ensure that food service workers have received necessary health checks/certificates and training to help prevent transmission of communicable disease?                              |
| <b>C ) ENVIRONMENT</b>                                 |             |        |   |
| <b>C1) Environmental Permits and Reporting</b>         | <b>C1.1</b> | orange | The facility has obtained all the legally-required environmental permits, approvals, licenses and registrations.  |
|  | <b>C1.2</b> | yellow | Does the facility have a process to ensure permits are kept current?  |
| <b>C2) Pollution Prevention and Resource Reduction</b> | <b>C2.1</b> | yellow | The facility has implemented formal programs to reduce waste and energy consumption.  |
|  | <b>C2.2</b> | orange | Has the facility made progress in reducing or eliminating pollution, waste and conserving resources?  |
| <b>C3) Hazardous Substances</b>                        | <b>C3.1</b> | yellow | Is the responsible person able to explain the legal requirements for waste classification, handling, labeling, storage, transportation, disposition and how they are implemented at the site.         |
|  | <b>C3.2</b> | yellow | Are chemical and waste storage areas designed and maintained to prevent leaks and inadvertent mixing of incompatible materials?   |
|  | <b>C3.3</b> | yellow | Are hazardous chemicals or substances labeled properly?   |
|  | <b>C3.4</b> | yellow | Do interviews of workers who work with chemicals or hazardous wastes show that they are provided with chemical safety information in the form of labels, signs, chemical/material safety data sheets? |

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|   |                 |             |           |  |
|---|-----------------|-------------|-----------|--|
|   |                 | <b>C3.5</b> | yellow    | Do interviews of workers who work with chemicals or hazardous wastes show that they have been trained on the hazards of the materials and the precautions needed to protect their health and safety?   |
|   |                 | <b>C3.6</b> | red       | Are hazardous waste categorized, handled, stored, transported and dispositioned using licensed vendor per local legislation?   |
|   |                 | <b>C3.7</b> | yellow    | Has the facility audited/evaluated their vendor(s) to verify that waste is handled, stored and disposed of in accordance with local regulations, permit conditions and contract requirements?  |
| <b>C4) Wastewater and Solid Waste</b>                         |                 | <b>C4.1</b> | Not rated | Indicate the types of solid waste generated.   |
|   |                 | <b>C4.2</b> | Not rated | Indicate how solid waste is managed.   |
|   |                 | <b>C4.3</b> | yellow    | Is solid waste managed in accordance with applicable legal requirements?   |
|   |                 | <b>C4.4</b> | yellow    | Is the responsible person able to describe the applicable legal requirements for wastewater / stormwater monitoring and treatment?   |
|   |                 | <b>C4.5</b> | red       | Does the discharged wastewater / stormwater meet the discharge limits for regulated constituents?  |
| <b>C5) Air Emissions</b>                                      |                 | <b>C5.1</b> | yellow    | Is the responsible person able to describe the applicable legal requirements for air emissions monitoring and treatment?   |
|   |                 | <b>C5.2</b> | red       | Do the air emissions meet the discharge limits for regulated constituents?   |
| <b>C6) Product Content Restrictions</b>                       |                 | <b>C6.1</b> | yellow    | Does the facility have a program in place to make legal and customer requirements for product content a formal part of their procurement and manufacturing processes?  |
|   |                 | <b>C6.2</b> | red       | Does the facility have processes and procedures in place to measure or document the chemical composition of their products in accordance with the requirements of EU REACH regulation and the EU ROHS Directive?                             |
|   |                 | <b>C6.3</b> | orange    | Where relevant, do the companies does the facility have processes and procedures in place to request and obtain relevant chemical composition information from their suppliers?  |
|   |                 | <b>C6.4</b> | red       | Are copies of analytical reports, supplier declarations and other required documents available for review?   |
| <b>D ) ENVIRONMENT – HEALTH –SAFETY MANAGEMENT SYSTEM</b>     |                 |             |           |  |
| <b>D-EHS1) Company Commitment</b>                             | <b>D-EHS1.1</b> | orange      |           | The company has established an environmental and health & safety policy statement that is endorsed by executive management.  |
| <b>D-EHS2) Management Accountability &amp; Responsibility</b> | <b>D-EHS2.1</b> | yellow      |           | Does the facility have a company representative[s] with clearly defined responsibility and authority for ensuring implementation of the management system and associated programs, and for compliance with EHS laws, regulations and codes?" |

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|   |                 |           |   |
|---|-----------------|-----------|---|
|   | <b>D-EHS2.2</b> | yellow    | Does the facility have appropriately defined and documented environmental, health & safety responsibilities and authorities for managers, supervisors and workers?  |
|   | <b>D-EHS2.3</b> | orange    | Does senior management assess the status of the environmental, health & safety management system in order to identify improvement opportunities on a regular basis?   |
| <b>D-EHS3) Legal and Customer Requirements</b>                              | <b>D-EHS3.1</b> | yellow    | Has the facility implemented a system to identify, monitor and understand applicable environmental, health & safety laws, regulations and customer requirements?  |
|   | <b>D-EHS3.2</b> | orange    | Does the responsible person have a good understanding of the environmental, health & safety laws, regulations and customer requirements that apply to the facility's operations?  |
| <b>D-EHS4) Risk Assessment and Risk Management</b>                          | <b>D-EHS4.1</b> | yellow    | Has the facility implemented a process for environmental, health & safety risk assessment and risk management that is adequate for the scope and nature of the operations?  |
|   | <b>D-EHS4.2</b> | orange    | Has the facility adequately identified its environmental, health & safety risks and implemented appropriate physical and procedural controls to minimize the identified risks and ensure regulatory compliance?   |
| <b>D-EHS5) Performance Objectives with Implementation Plan and Measures</b> | <b>D-EHS5.1</b> | yellow    | Has the facility implemented an appropriate process for establishing environmental, health & safety performance objectives, targets and implementation plans as well as plans to improve facility's social/environmental performance?                   |
|   | <b>D-EHS5.2</b> | orange    | Does the facility regularly review its progress toward achieving its environmental and health & safety objectives and make appropriate adjustments if they are off track?   |
|   | <b>D-EHS5.3</b> | yellow    | Did the worker interviews reveal that workers are aware of the environmental and health & safety performance objectives relevant to them?   |
| <b>D-EHS6) Training</b>   | <b>D-EHS6.1</b> | Not rated | What type of training does the facility provide to its workers?   |
|   | <b>D-EHS6.2</b> | orange    | Does the facility provide appropriate training for managers on how to implement its environmental and health & safety policies, procedures and improvement objectives, and to meet applicable legal and regulatory training requirements?               |
|   | <b>D-EHS6.3</b> | orange    | Does the facility provide appropriate training for workers on its environmental and health & safety policies, procedures and improvement objectives, and to meet applicable legal and regulatory training requirements?                                 |
|   | <b>D-EHS6.4</b> | yellow    | Are skills tests (demonstrations of competency) required for workers with critical environment and health & safety-related jobs, such as wastewater treatment plant operators, hazardous waste handlers, first aid team members or fork lift operators? |
|   | <b>D-EHS6.5</b> | yellow    | Did worker interviews reveal that environmental and health & safety training is actually being delivered as stated?   |
| <b>D-EHS7) Communication</b>  | <b>D-EHS7.1</b> | orange    | Does the facility adequately communicate information about its environmental and health & safety policies, performance, practices and expectations to workers?  |
|   | <b>D-EHS7.2</b> | yellow    | Did worker interviews reveal that environmental and health & safety communication is effective?   |
|   | <b>D-EHS7.3</b> | orange    | Does the facility adequately communicate information about its environmental and health & safety policies, performance, practices and expectations to suppliers and customers?  |

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|  |                  |        |   |
|--|------------------|--------|---|
| <b>D-EHS8) Worker Feedback and Participation</b> | <b>D-EHS8.1</b>  | orange | Does the facility assesses worker understanding of environmental and health & safety practices and conditions and obtain their feedback?  |
|  | <b>D-EHS8.2</b>  | yellow | Did worker interviews reveal that management does solicit feedback on environmental and health & safety practices and conditions as described?  |
|  | <b>D-EHS8.3</b>  | yellow | If the facility encourages worker participation in Environmental and Health & Safety activities such as work area inspections, incident investigations or EHS committees, can the facility verify worker participation? |
| <b>D-EHS9) Audits and Assessments</b>            | <b>D-EHS9.1</b>  | yellow | Did the facility perform an environmental and health & safety audit within the past two years?  |
|  | <b>D-EHS9.2</b>  | orange | Are the environmental and health & safety audits adequate evaluations of regulatory compliance and conformance with customer and other (e.g. ISO 14001, OHSAS 18001) requirements?                                      |
| <b>D-EHS10) Corrective Action Process</b>        | <b>D-EHS10.1</b> | orange | Is the facility's corrective action process for environmental and health & safety issues adequate?  |
|  | <b>D-EHS10.2</b> | yellow | Have the issues identified in the facility's recent environmental and health & safety audits or self evaluations been corrected or are they on track for completion?  |
|  | <b>D-EHS10.3</b> | yellow | Does the facility take preventative action to stop a recurrence of the same or similar environmental and health & safety problems?  |
| <b>D-EHS11) Documentation &amp; Records</b>      | <b>D-EHS11.1</b> | orange | Does the facility maintain adequate environmental and health & safety management system documents and records needed to ensure regulatory compliance and conformity to company and customer requirements?               |
|  | <b>D-EHS11.2</b> | yellow | Are confidentiality and privacy adequately maintained for individual worker files for EHS?  |

## D ) LABOR - ETHICS MANAGEMENT SYSTEM

|  |                |        |  |
|--|----------------|--------|--|
| <b>D-LE1) Company Commitment</b>   | <b>D-LE1.1</b> | orange | The company has established a labor policy statement that is endorsed by executive management.   |
|  | <b>D-LE1.2</b> | orange | The company has established an ethics policy statement that is endorsed by executive management.   |
| <b>D-LE2) Management Accountability &amp; Responsibility<br/>D-LE2) Management</b> | <b>D-LE2.1</b> | yellow | Does the facility have a company representative[s] with clearly defined responsibility and authority for ensuring implementation of the management system and associated programs, and for compliance with labor and ethics laws, regulations and codes? |
|  | <b>D-LE2.2</b> | yellow | Does the facility have appropriately defined and documented labor and ethics responsibilities and authorities for managers, supervisors and workers?   |
|  | <b>D-LE2.3</b> | orange | Does senior management assess the status of the labor and ethics management system in order to identify improvement opportunities on a regular basis?  |
| <b>D-LE3) Legal and Customer Requirements</b>                                      | <b>D-LE3.1</b> | yellow | Has the facility implemented a system to identify, monitor and understand applicable labor and ethics laws, regulations and customer requirements?   |
|  | <b>D-LE3.2</b> | orange | Does the responsible person have a good understanding of the labor and ethics laws, regulations and customer requirements that apply to the facility's operations?.  |

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|  |                 |           |  |
|--|-----------------|-----------|--|
| <b>D-LE4) Risk Assessment and Risk Management</b>                          | <b>D-LE4.1</b>  | yellow    | Has the facility implemented a process for labor and ethics risk assessment and risk management that is adequate for the scope and nature of the operations?   |
|  | <b>D-LE4.2</b>  | orange    | Has the facility adequately identified its labor practices and business ethics risks and implemented appropriate controls to minimize the identified risks and ensure regulatory compliance?                             |
| <b>D-LE5) Performance Objectives with Implementation Plan and Measures</b> | <b>D-LE5.1</b>  | yellow    | Has the facility implemented an appropriate process for establishing labor and ethics performance objectives, targets and implementation plans as well as plans to improve facility's labor/ethics performance?          |
|  | <b>D-LE5.2</b>  | orange    | Does the facility regularly review its progress toward achieving its labor and ethics objectives and make appropriate adjustments if they are off track?   |
|  | <b>D-LE5.3</b>  | yellow    | Did the worker interviews reveal that workers are aware of the labor and ethics performance objectives relevant to them?   |
| <b>D-LE6) Training</b>   | <b>D-LE6.1</b>  | orange    | Does the facility provide appropriate training for managers on how to implement its labor and ethics policies, procedures and improvement objectives, and to meet applicable legal and regulatory training requirements? |
|  | <b>D-LE6.2</b>  | orange    | Does the facility provide appropriate training for workers on its labor and ethics policies, procedures and improvement objectives, and to meet applicable legal and regulatory training requirements?                   |
|  | <b>D-LE6.3</b>  | Not rated | What type of training does the facility provide to its workers?  |
|  | <b>D-LE6.4</b>  | Yellow    | Did worker interviews reveal that labor and ethics training is actually being delivered as stated?   |
| <b>D-LE7) Communication</b>  | <b>D-LE7.1</b>  | orange    | Does the facility adequately communicate information about its labor and ethics performance, practices and expectations to workers?  |
|  | <b>D-LE7.2</b>  | yellow    | Did worker interviews reveal that labor and ethics communication is effective?   |
|  | <b>D-LE7.3</b>  | orange    | Does the facility adequately communicate information about its labor and ethics performance, practices and expectations to suppliers and customers?  |
| <b>D-LE8) Worker Feedback and Participation</b>                            | <b>D-LE8.1</b>  | orange    | Does the facility assess worker understanding of labor and ethics practices and conditions and obtain their feedback?  |
|  | <b>D-LE8.2</b>  | yellow    | Did worker interviews reveal that management does solicit feedback on labor and ethics practices and conditions as described?  |
|  | <b>D-LE8.3</b>  | yellow    | If the facility encourages worker participation in labor/employment activities such as worker committees, can the facility verify worker participation?  |
| <b>D-LE9) Audits and Assessments</b>                                       | <b>D-LE9.1</b>  | yellow    | Did the facility perform a labor and ethics audit within the past two years?   |
|  | <b>D-LE9.2</b>  | orange    | Are the labor audits and ethics adequate evaluations of regulatory compliance and conformance with customer and other requirements?  |
| <b>D-LE10) Corrective Action Process</b>                                   | <b>D-LE10.1</b> | orange    | Is the facility's corrective action process for labor and ethics issues adequate?  |
|  | <b>D-LE10.2</b> | yellow    | Have the issues identified in the facility's recent labor and ethics audits or self-evaluations been corrected or on track for completion?   |

# Philips EICC Audit Question List | 2010

|   |                 |        |  |
|---|-----------------|--------|--|
|   | <b>D-LE10.3</b> | yellow | Does the facility take preventative action to stop a recurrence of the same or similar labor and ethics problems?  |
| <b>D-LE11) Documentation &amp; Records</b>            | <b>D-LE11.1</b> | orange | Does the facility maintain adequate labor and ethics management system documents and records needed to ensure regulatory compliance and conformity to company and customer requirements? |
|   | <b>D-LE11.2</b> | yellow | Are confidentiality and privacy adequately maintained for individual worker files?   |
| <b>E ) ETHICS</b>                                     |                 |        |  |
| <b>E1) Business Integrity</b>                         | <b>E1.1</b>     | orange | Has the facility has established standards of business conduct that address issues of business ethics?   |
|   | <b>E1.2</b>     | yellow | Interviews confirm that managers, supervisors and workers are aware of the company's business ethics standards.  |
| <b>E2) No Improper Advantage</b>                      | <b>E2.1</b>     | orange | The facility has a written "gift giving" policy that ensures gifts to or from suppliers and customers is not excessive in cost or frequency.   |
|   | <b>E2.2</b>     | yellow | The facility has procedures for addressing its workers or agents suspected of making or accepting improper offers of payments or gifts.  |
| <b>E3) Disclosure of Information</b>                  | <b>E3.1</b>     | red    | Is the facility reporting its business activities in accordance with local laws and regulations?   |
| <b>E4) Protection of Intellectual Property</b>        | <b>E4.1</b>     | red    | Does the facility have procedures to ensure the protection of intellectual property (their own and that of their customers)?   |
| <b>E5) Fair Business, Advertising and Competition</b> | <b>E5.1</b>     | yellow | The facility has a program to ensure advertising statements are not false or misleading and they meet fair business and advertising legal requirements?                                  |
|   | <b>E5.2</b>     | orange | Does the facility have written policy prohibiting collusion ?  |
|   | <b>E5.3</b>     | yellow | Does the facility have a formal process to protect customer information?   |
| <b>E6) Protection of Identity</b>                     | <b>E6.1</b>     | orange | Does the facility provide workers with a way to confidentially report suspected ethical misconduct that protects them from retaliation or other consequences?                            |
|   | <b>E6.2</b>     | orange | Does the facility provide employees of suppliers with a way to confidentially report suspected ethical misconduct while protecting the employee whistleblowers?                          |
| <b>G ) GENERAL</b>                                    |                 |        |  |
| <b>G1) EICC Code</b>                                  | <b>G1.1</b>     | orange | Management understands the Supplier Code of Conduct/EICC requirements and has applied the EICC requirements to their operations at this facility.  |
|   | <b>G1.2</b>     | yellow | The facility has a copy of the EICC on file.   |

# Philips EICC Audit Question List **2010**

|                                    |             |        |   |
|------------------------------------|-------------|--------|---|
|                                    | <b>G1.3</b> | yellow | Does the facility communicate the EICC Code requirements to their next tier suppliers?  |
|                                    | <b>G1.4</b> | orange | Has the facility implemented an effective process to ensure that their next tier suppliers implement the Code?  |
|                                    | <b>G1.5</b> | yellow | Supplier staff and next tier suppliers are educated so they are aware of their ethical and legal requirements   |
| <b>G2) Compliance with the Law</b> | <b>G2.1</b> | red    | If the facility has been subject to any <u>labor</u> regulatory actions where monetary penalties were assessed, or where formal corrective actions were mandated by the issuing government agency, have the violations been corrected or are they on track for correction?          |
|                                    | <b>G2.2</b> | red    | If the facility has been subject to any <u>ethics</u> regulatory actions where monetary penalties were assessed, or where formal corrective actions were mandated by the issuing government agency, have the violations been corrected or are they on track for correction?         |
|                                    | <b>G2.3</b> | red    | If the facility has been subject to any <u>health &amp; safety</u> regulatory actions where monetary penalties were assessed, or where formal corrective actions mandated by the issuing government agency, have the violations been corrected or are they on track for correction? |
|                                    | <b>G2.4</b> | red    | If the facility has been subject to any <u>environmental</u> regulatory actions where monetary penalties were assessed, or where formal corrective actions mandated by the issuing government agency, have the violations been corrected or are they on track for correction?       |