Antitrust Statement

Competition law is not intended to prohibit the legitimate activities of companies. Its objective is to protect competition in the market as a mean of enhancing consumer welfare. Therefore, agreements between companies or decision by associations or concerted practices which may affect trade and which have as their object or effect the prevention, restriction or distortion of competition within the common market are prohibited. They may include any kind of understanding, formal or informal, secretive or public, under which each of the participants can reasonably expect that another will follow a particular course of action or conduct. Each of the participants in this Initiative is responsible for seeing that topics which may give an appearance of an agreement that would violate the antitrust laws are not discussed. It is the responsibility of each participant in the first instance to avoid raising improper subjects for discussion, notably such as those identified below. It is the sole purpose of any meeting of this initiative to provide a forum for expression of various points of view on topics (i) that are strictly related to the purpose or the execution of the initiative, (ii) that need to be discussed among the participants of the Initiative, (iii) that are duly mentioned in the agenda of this meeting and (iv) that are extensively described in the minutes of the meeting. Participants are strongly encouraged to adhere to the agenda. Under no circumstances shall this meeting be used as a means for competing companies to reach any understanding, expressed or implied, which restricts or tends to restrict competition, or in any way impairs or tends to impair the ability of members to exercise independent business judgment regarding matters affecting competition.

As a general rule, participants must not exchange any information about any business secret of their respective companies. In particular, participants must avoid any information exchange or agreement on the following topics:

Prices, particularly calculation methodologies, surcharges, fees, rebates, conditions, freight rates, marketing terms, and pricing policies in general;

Production planning; marketing or Investment plans; capacities; levels of production or sales; customer base; customer relationships; margins; costs in general; product development

Standards setting (when its purpose is to limit the availability and selection of products, limit competition, restrict entry into an industry, inhibit innovation or inhibit the ability of competitors to compete);

Codes of ethics administered in a way that could inhibit or restrict competition;

Group boycotts;

Validity of patents;

On-going litigations.
Overview

This report provides information regarding Key Performance Indicators of JAC activities such as JAC Audits, Corrective actions, Workers’ Survey and JAC Academy. These information has been obtained throughout the audit year 2021 along with an insight of all onsite operations of the JAC Sector initiative up until today.
Joint Audit Cooperation (JAC) was created by Deutsche Telekom, Orange and TIM and came to life in January 2010. It is an initiative of telecom operators aiming to assess and develop the CSR performance on the manufacturing sites of strategic suppliers in the ICT industry. As of today, there are 18 telecom operators from 16 countries which have joined the JAC initiative. Altogether, JAC represents more than 50% of the industry revenue and more than 2.7 billion connections.

Until now, JAC onsite operations covered 40 countries and more than 1.4 million workers. Among all the audits, 71% are conducted in tier 2, tier 3, and even tier 4 factories.
2021 Highlights – Audit Operations

- 71 On site audit operations
- 10 VAP Audits
- 53 JAC Audits
- 8 JAC Remote Audits
- 41 Direct Suppliers
- 16 Countries covered
- 107,151 Workers impacted

*Note: Out of the 71 audits, JAC is still waiting for 7 audits reports and 1 NDA.*
2021 Highlights – Workers’ Survey

17
Workers’ Survey

3
Countries covered

21,582
Workers impacted
Since its foundation, the Joint Audit Cooperation has conducted a total of 812 on site operations dated from 2010 up until 2021. This total includes JAC and VAP audits, Workers’ Survey and JAC Academy audits.
The 2017 Workers’ Survey campaign, which was managed by Vodafone, lacks information on direct supplier name and factory name.
## Onsite Operations by Tier N in 2021

<table>
<thead>
<tr>
<th>Tier</th>
<th>JAC Audits</th>
<th>VAP Audits</th>
<th>JAC Remote Audits</th>
<th>Workers Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>22</td>
<td>8</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>19</td>
<td>2</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>12</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>No information</td>
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</table>
Among all the audits from 2010 to 2020, 71% were conducted in tier 2, tier 3 and even tier 4 factories.
Key Figures: Workers Impacted

The total workers impacted include numbers from Workers’ Survey and JAC Academy from 2010 to 2021.

<table>
<thead>
<tr>
<th></th>
<th>JAC Audits</th>
<th>Remote Audits</th>
<th>VAP Audits</th>
<th>JAC QSA</th>
<th>Workers’ Survey</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>75,426</td>
<td>7,911</td>
<td>23,814</td>
<td>21,582</td>
<td></td>
<td>128,733</td>
</tr>
<tr>
<td>Since 2010</td>
<td>943,196</td>
<td>6,219</td>
<td>360,842</td>
<td>86,311</td>
<td>81,324</td>
<td>1,477,892</td>
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</table>
Audited Sites by Size

Audited sites by size in 2021

<table>
<thead>
<tr>
<th>Size</th>
<th>No Visibility</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAC</td>
<td>2</td>
<td>7</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>Remote</td>
<td></td>
<td>3</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>VAP &amp; FLA</td>
<td></td>
<td>6</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Workers' Survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Audited sites by size from 2010 to 2021

<table>
<thead>
<tr>
<th>Size</th>
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<th>Extra Small</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAC</td>
<td>7</td>
<td>6</td>
<td>22</td>
<td>209</td>
<td>204</td>
</tr>
<tr>
<td>Remote</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAP &amp; FLA</td>
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<td></td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JAC QSA</td>
<td></td>
<td></td>
<td></td>
<td>13</td>
<td>39</td>
</tr>
<tr>
<td>Workers' Survey</td>
<td></td>
<td></td>
<td></td>
<td>19</td>
<td>22</td>
</tr>
</tbody>
</table>

Note:
- 7 JAC audits before collaboration with EcoVadis lack of size information.
- 21 VAP audit reports lack of size information
- 1 JAC QSA audit from 2018 campaign lacks of size information
- 19 worker surveys lack of size information
In 2021, JAC on-site operations occurred in the following 16 countries: 

*Australia, Brazil, China, Czech Republic, India, Indonesia, Israel, Mexico, Morocco, Peru, Philippines, South Korea, Taiwan, Thailand, Turkey* and *Vietnam*

Majority of audits were conducted in Asia with a coverage of around 85%, followed by Latin America (6%), Europe (4%), Oceania (4%) and Africa (1%).
Since 2010, other than those countries mentioned in the above section, JAC on-site operations have also occurred in other countries, such as Argentina, Belgium, Bulgaria, Canada, Colombia, Estonia, France, Germany, Hungary, Italy, Japan, Malaysia, Netherlands, Poland, Portugal, Romania, Russian Federation, Singapore, Slovakia, Spain, Sweden, Tunisia, Ukraine, UK and USA.

Up until now, JAC On Site operations have covered around 40 countries.

84% of factories audited from 2010 to 2021 are located in Asia

78% of factories audited from 2010 to 2021 are in risk countries
CORRECTIVE ACTION PLAN HIGHLIGHTS

- 402 Total number of CAP raised in 2021
- 5145 Total number of CAP raised from 2010 to 2021
- 643 Number of CAP closed in 2021
- 4887 Number of CAP closed from 2010 to 2021
- 190 Number of CAPs closed in 2021 from 2021 audits
- 258 Overall CAP pending versus overall raised since 2010
CAPS Raised in 2021

- Discrimination: 2
- Child Labour & Juvenile workers: 4
- Disciplinary Practices: 4
- Freedom of Association: 6
- Business Ethics: 11
- Forced Labour: 16
- Wages And Compensation: 48
- Environment: 65
- Working Hours: 72
- Health and Safety: 174

Grand Total: 402
Zoom In Raised CAPs since 2010 to 2021 YTD

<table>
<thead>
<tr>
<th>Axis</th>
<th>Number of CAPs raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Safety</td>
<td>2204</td>
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<tr>
<td>Working Hours</td>
<td>745</td>
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<tr>
<td>Environment</td>
<td>655</td>
</tr>
<tr>
<td>Business Ethics</td>
<td>628</td>
</tr>
<tr>
<td>Wages And Compensation</td>
<td>341</td>
</tr>
<tr>
<td>Discrimination</td>
<td>218</td>
</tr>
<tr>
<td>Child Labour &amp; Juvenile workers</td>
<td>129</td>
</tr>
<tr>
<td>Forced Labour</td>
<td>122</td>
</tr>
<tr>
<td>Freedom of Association</td>
<td>63</td>
</tr>
<tr>
<td>Disciplinary Practices</td>
<td>40</td>
</tr>
<tr>
<td>Grand Total</td>
<td>5145</td>
</tr>
</tbody>
</table>
CAPs raised by Importance since 2010 to 2021 YTD

**Priority**
- Health and Safety: 89
- Working Hours: 27
- Environment: 26
- Child Labour &...: 14
- Discrimination: 11
- Wages And...: 11
- Business Ethics: 6
- Forced Labour: 5

**Major**
- Health and Safety: 686
- Working Hours: 325
- Environment: 155
- Wages And...: 99
- Business Ethics: 89
- Forced Labour: 27
- Child Labour &...: 23
- Freedom of...: 14
- Disciplinary...: 9

**Minor**
- Health and Safety: 1429
- Business Ethics: 533
- Environment: 474
- Working Hours: 393
- Wages And...: 231
- Discrimination: 180
- Child Labour &...: 101
- Forced Labour: 94
- Freedom of...: 54
- Disciplinary...: 37
Zoom In Closed CAPs since 2010 to 2021 YTD

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of CAPs closed</td>
<td>2102</td>
<td>687</td>
<td>621</td>
<td>613</td>
<td>309</td>
<td>216</td>
<td>127</td>
<td>114</td>
<td>59</td>
<td>39</td>
<td>4887</td>
</tr>
</tbody>
</table>
CAPs Closed by Importance since 2010 to 2021 YTD

**Priority**
- Health and Safety: 85
- Working Hours: 26
- Environment: 24
- Child Labour & Juvenile workers: 14
- Discrimination: 11
- Wages And Compensation: 8
- Business Ethics: 6
- Forced Labour: 5

**Major**
- Health and Safety: 648
- Working Hours: 310
- Environment: 135
- Wages And Compensation: 93
- Business Ethics: 86
- Discrimination: 26
- Forced Labour: 20
- Child Labour & Juvenile workers: 14
- Freedom of Association: 8
- Disciplinary Practices: 2

**Minor**
- Health and Safety: 1369
- Business Ethics: 529
- Environment: 454
- Working Hours: 351
- Wages And Compensation: 208
- Discrimination: 179
- Child Labour & Juvenile workers: 99
- Forced Labour: 89
- Freedom of Association: 51
- Disciplinary Practices: 37
Ongoing CAPs by Importance – 258

- Health and Safety: 38 (Major), 60 (Minor), 4 (Priority)
- Working Hours: 15 (Major), 42 (Minor), 1 (Priority)
- Environment: 20 (Major), 20 (Minor), 2 (Priority)
- Wages And Compensation: 6 (Major), 23 (Minor), 3 (Priority)
- Forced Labour: 3 (Major), 5 (Minor), 8 (Priority)
- Business Ethics: 3 (Major), 4 (Minor), 7 (Priority)
- Freedom of Association: 1 (Major), 3 (Minor), 4 (Priority)
- Discrimination: 1 (Major), 1 (Minor), 2 (Priority)
- Child Labour & Juvenile workers: 2 (Priority)
- Disciplinary Practices: 1 (Priority)
Overdue CAPs Trend

- 278
- 217
- 117
- 86
- 72
- 63
- 59
- 52
- 45
- 85

Dates:
- 15/11/2020
- 04/01/2021
- 23/02/2021
- 14/04/2021
- 03/06/2021
- 23/07/2021
- 11/09/2021
- 31/10/2021
- 20/12/2021
- 08/02/2022
JAC is an association of telecom operators aiming to verify, assess and develop the Corporate Social Responsibility (CSR) implementation across the manufacturing centres of important multinational suppliers of the Information Communication Technology (ICT) industry.

JAC members share resources and best practices to develop long term Corporate Social Responsibility implementation in the different layers or tiers of the ICT Supply Chain globally.

Learn more on jac-initiative.com