## New Terms of Engagement between Electronics Watch and the Responsible Business Alliance

In March 2023, Electronics Watch and the RBA <u>updated the Terms of Engagement</u> agreed in 2021. The new terms reflect lessons learned and include several improvements.

## What are the Terms of Engagement?

The Terms of Engagement are a formal agreement that supports structured industry engagement to remediate worker rights issues. They apply to factories in Electronics Watch affiliates' supply chains that are owned by RBA members or their suppliers. The Terms establish a step-by-step process and define time-bound obligations of industry stakeholders following an Electronics Watch investigation. They promote corporate accountability for engaging in the remediation process and for acting without undue delay.

The Terms of Engagement reflect affiliates' growing influence in the electronics industry and promote a collective approach on individual factory cases, based on shared responsibility. They are designed to complement other types of industry engagement, including direct dialogue between affiliates and their contractors.

## What's new?

- A fast-track process for urgent issues, defined as those with a risk of, "gross human rights violations<sup>1</sup> or irreparable harm to the environment and can be mitigated or prevented through timely action." Urgent issues also include those that could rapidly escalate if unaddressed.
- The addition of customised assessments and investigations to support more timely responses and more tailored follow-up in cases where Validated Assessment Program (VAP) Audits may not be appropriate.
- Direct consultation between Electronics Watch monitoring partners and the auditor prior to an RBA audit or investigation.
- The obligation to discuss corrective actions with Electronics Watch before developing a corrective action plan.
- A definition of 'stakeholders', which includes RBA member companies, suppliers to RBA members, Electronics Watch affiliates, workers in factories being investigated or audited, and local worker representatives associated with trade unions.
- Consequences for recurrent delays.

## What's still missing?

- A commitment to remedy and remediation, as defined by relevant UN and OECD normative frameworks on due diligence guidance. RBA has yet to operationalize these concepts.
- The obligation to include trade unions and monitoring partners in steps pertaining to corrective action and the review of outcomes. However, RBA agreed to consider the inclusion of these parties on a case-by-case basis.

<sup>&</sup>lt;sup>1</sup> Gross human rights violations are understood to negatively impact the right to life and to physical and moral integrity of the person.