

Public Procurement

as a tool for sustainable change

of social and environmental rights violations in the electronics industry

Public procurement has the power to create change and improve lives in electronics supply chains.

How can your organisation take on social responsibility?

Connect with the Make ICT Fair Project to find out about what you can do and the support available.

Picture: Fairphone

make
ICT
fair

Public buyers have market power and should use it to drive change

Universities, hospitals, counties, cities, and other public bodies in the European Union procured electronic devices such as desktop or laptop computers, servers, screens, workstations, printers or smartphones for about €50.3 billion¹ in 2011.

Every year, over 250 000 public authorities in the EU spend around 14% of Gross Domestic Product (GDP) purchasing services, works and supplies. According to Karmenu Vella, EU Commissioner for Environment, Maritime Affairs and Fisheries, this “represents enormous leverage, and it means the public authorities wield tremendous market power”.

Working together, public buyers can shape the market by requiring corporations to implement social and environmental standards and monitoring the progress.



Picture: Fairphone

Social responsibility and the tools to achieve it

The UN Guiding Principles on Business and Human Rights and the UN Sustainable Development Goals define a responsibility of private companies and nation states as well as public organisations towards a socially inclusive and environmentally sustainable economic development.

Directive 2014/24/EU on public procurement contains an expanded set of provisions relating to Socially Responsible Public Procurement (SRPP). The directive enables you as a public buyer to use social and environmental criteria in your public tenders.

Such criteria can have a positive impact on working conditions and help to mitigate and prevent human rights violations in the supply chains of ICT brands you are procuring from.

Including social criteria in public tenders requires innovative approaches. Electronics Watch has developed a set of tools to support you as a procurement and sustainability expert.

“The greatest concern is the water scarcity and expected long-term shortages, yet affected people are left out of decision-making on this issue.”

Sukhgerel Dugersuren,
NGO OT Watch, Mongolia

On a daily basis: social and environmental rights violations in the ICT supply chain

Long working hours, low wages, suicides, poisonings, armed conflicts, water depletion and environmental disaster: these are some of the labour and human rights violations reported in the electronics industry from mining to manufacturing.

Even the annual CSR reports of ICT companies, while trying to sketch a positive picture, have to concede that there are major problems in their supply chains.

ICT devices contain precious minerals, such as lithium, gold, copper and cobalt. The extraction of these minerals impacts the ecosystems and wellbeing of the communities surrounding mining sites.

Mining negatively impacts communities’ health. Conflictos Mineros² and scientific studies report that people in surrounding communities have high levels of lead and arsenic in their blood.³

The sales of minerals from conflict or high-risk areas can fund armed groups and fuel human rights abuses. These minerals often end up in electronic devices.

Currently, ICT companies cannot be held accountable for human rights violations in mines as linkages between specific mines and particular supply chains are obscure. To change this, supply chains need to be made transparent beyond smelter lists to allow the identification of specific mines.

ICT brands have outsourced their production to contract manufacturers in low wage locations across the globe. Fast production, with expectations of ever shorter time-to-market and lack of production forecasting is prevalent.

Workers have to absorb production stresses. Factories demand excessive overtime to complete orders on time, and increasingly use temporary workers – often migrant, agency, or student workers – who may be paid less, have fewer benefits, and are more vulnerable to abuse than regular workers.

Fast and low wage production often causes friction with fundamental labour rights, the freedoms from forced labour and child labour, non-discrimination, the freedom of association, and the right to collective bargaining. Occupational health and safety violations have direct effects on workers lives.

The situation in mining and manufacturing is often in direct violation of even most basic international standards set by the United Nations or the International Labour Organisation.

Public organisations can take action: you are in the position to ask your suppliers to live up to the international standards they have agreed on.

However, it is important to not only set social and environmental standards in public tenders but also to monitor their implementation.

Electronics Watch: supporting innovative procurement

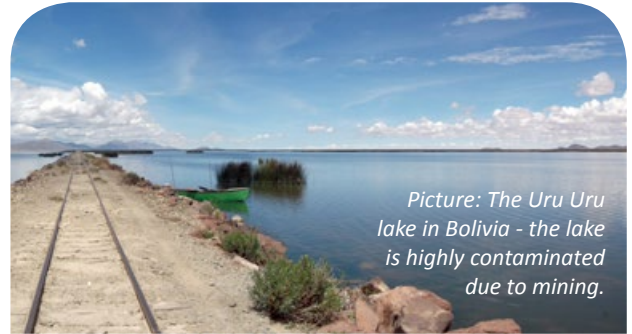
Electronics Watch is an independent monitoring organisation that helps public sector organisations work together to meet their responsibility to protect the labour rights and safety of workers in their electronics supply chains more effectively than any single public buyer could accomplish on its own.

Electronics Watch is available to support processes for affiliate members, by:

- providing procurement tools such as Electronics Watch Contract Clauses and a Contractor Guidance,
- organising worker-driven monitoring and factory compliance investigations through independent monitoring partners located in production regions,
- reporting on risk in members' supply chains and organising communication between suppliers and affiliates,
- developing remediation actions with all stakeholders and supervising implementation.



electronics  watch



“Electronics Watch has already delivered vital support to LUPC in monitoring global electronics supply chains for human rights abuses and in responding to incidences when they have come to light. Now that support is available to all of our full Members, thus signalling that London again reaffirms its strong values as a leading world city.”,

Dr Andrew Young,

Director of Administration and Chief Operating Officer at the London School of Economics and Political Science:

Additionally, Electronics Watch provides ample possibilities to affiliates for knowledge exchange and new insights through webinars and the annual conference. Regional risk assessments and special reports give affiliates a broader understanding of systemic issues in the industry.

The Electronics Watch Contract Clauses used by affiliates in their public tenders cover these main objectives:

- Transparency – disclosure of manufacturing locations, risks and compliance findings
- Compliance – with Electronics Watch Code of Labour Standards or equivalent code
- Monitoring and Remediation – collaboration with Electronics Watch monitors and protection to whistleblowers

The Electronics Watch Contract Clauses come into effect during the contract management phase allowing for a sustainable engagement with suppliers. The already established procurement process is retained as the Clauses neither affect selection nor award criteria.

Public buyers already see positive impact in their ICT supply chains

In the following cases the engagement by Electronics Watch affiliates and monitoring partners has shown visible impact:

- Concrete steps to end forced student labour were initiated in one server manufacturing facility in China.
- Workers at a printer factory in Thailand were returned their passports and recruitment fees.
- Workers illegally fired for union organising were reinstated at manufacturing operations in the Philippines.
- A guaranteed pay for temporary agency workers in periods of low production was implemented at a manufacturing operation in the Czech Republic.

Now the mining sector is the next challenge

To drive social responsibility in the entire electronics supply chain, moving beyond manufacturing is necessary. The mining sector is a different industry with other impacts that require new initiatives. We need to ask:

Can criteria and clauses encourage ICT providers to disclose mining facilities and locations in their supply chain?

Can companies be obliged to acknowledge and mitigate risk situations in supply chains related to mining?

Can procurement drive the creation of company or ICT industry led Code of Conduct programmes related to mining?

The University of Edinburgh, one of the Make ICT Fair project partners, has taken first steps with its Conflict Minerals Policy (2016). However, more research, collaboration and practical experience are needed.

Electronics Watch and ICLEI are developing and piloting tender tools to explore what is possible through public procurement.

Together with a group of engaged public authorities across Europe the Make ICT Fair project is working on tender specifications, criteria and verification.

Be part of this action!

Here is what you can do:

1. Check your organisation's procurement policies regarding social and environmental standards and speak to colleagues.
2. Contact PARTNER ORGANISATION for further details.
3. Contact Electronics Watch for details on how to affiliate at: info@electronicswatch.org
4. Join the Procura+ Network and be a part of the Interest Group on Socially Responsible Public Procurement of ICT: procurement@iclei.org

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