

# Electronics Watch

## Sustainable Procurement & the UN Sustainable Development Goals

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UK Representative, Electronics Watch

21 February 2019

## Mission

Electronics Watch helps public sector organisations work together, and collaborate with civil society monitors in ICT production regions, to protect the rights of workers in their electronics supply chains.

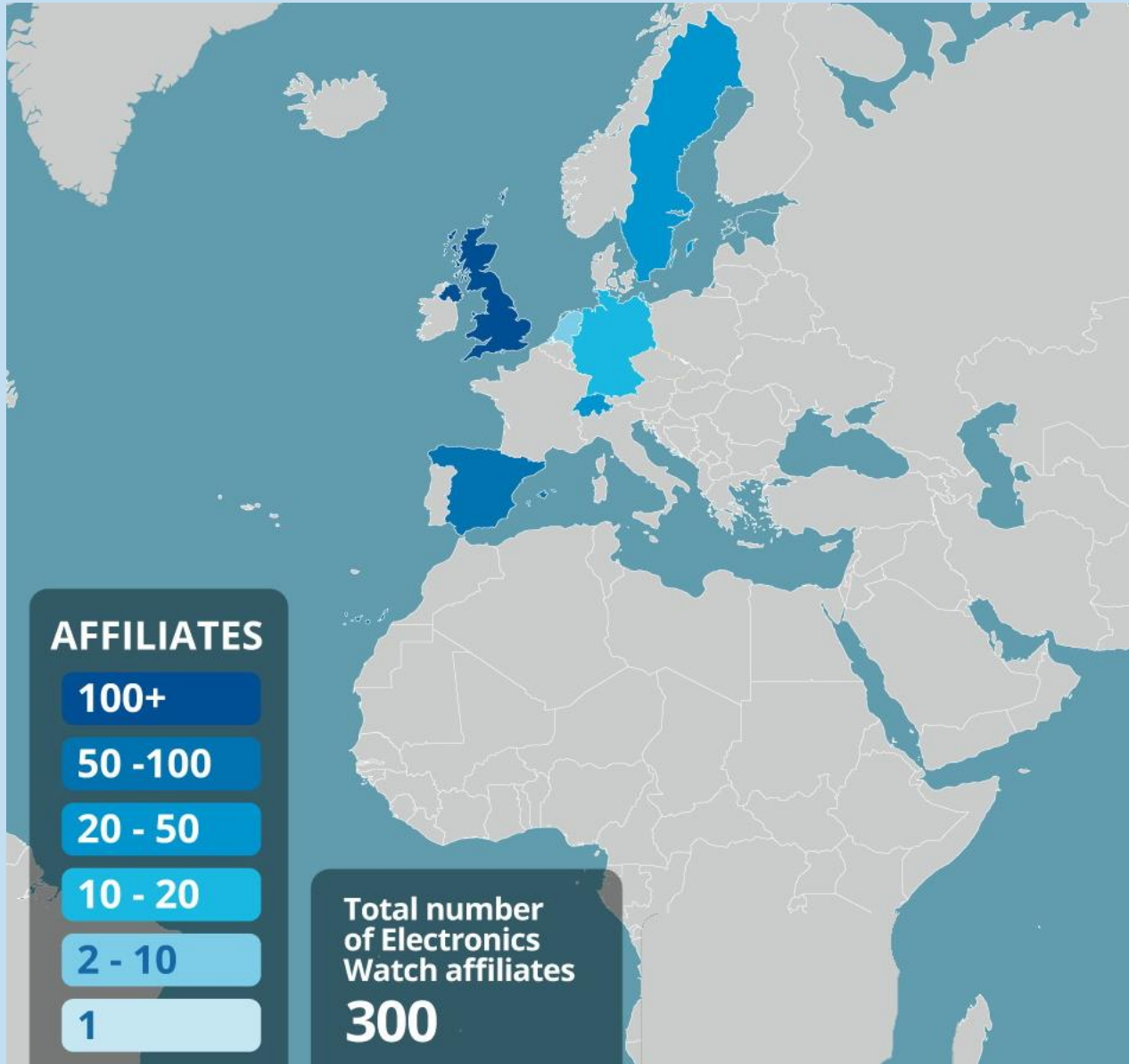


# Membership

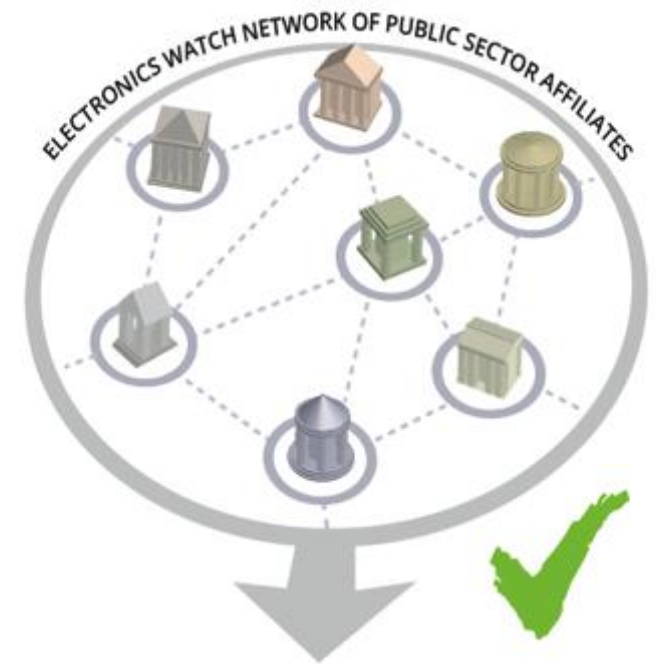


- 300 affiliates across seven countries
- **€1 billion** of the electronics market

# Public Buyer Collaboration



## Electronics Watch Affiliation Model



Coordinated engagement with industry  
Full access to monitoring data  
Knowledge exchange

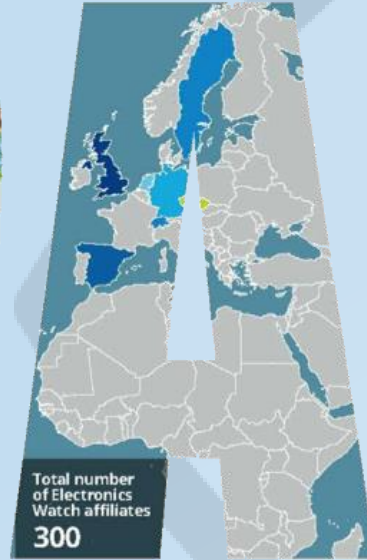


## Informed public buyers



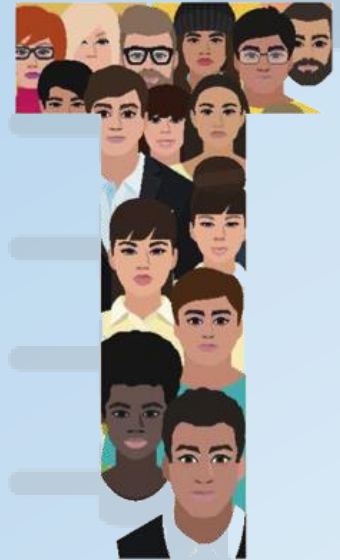
## Increased transparency

## Systemic Industry Improvements



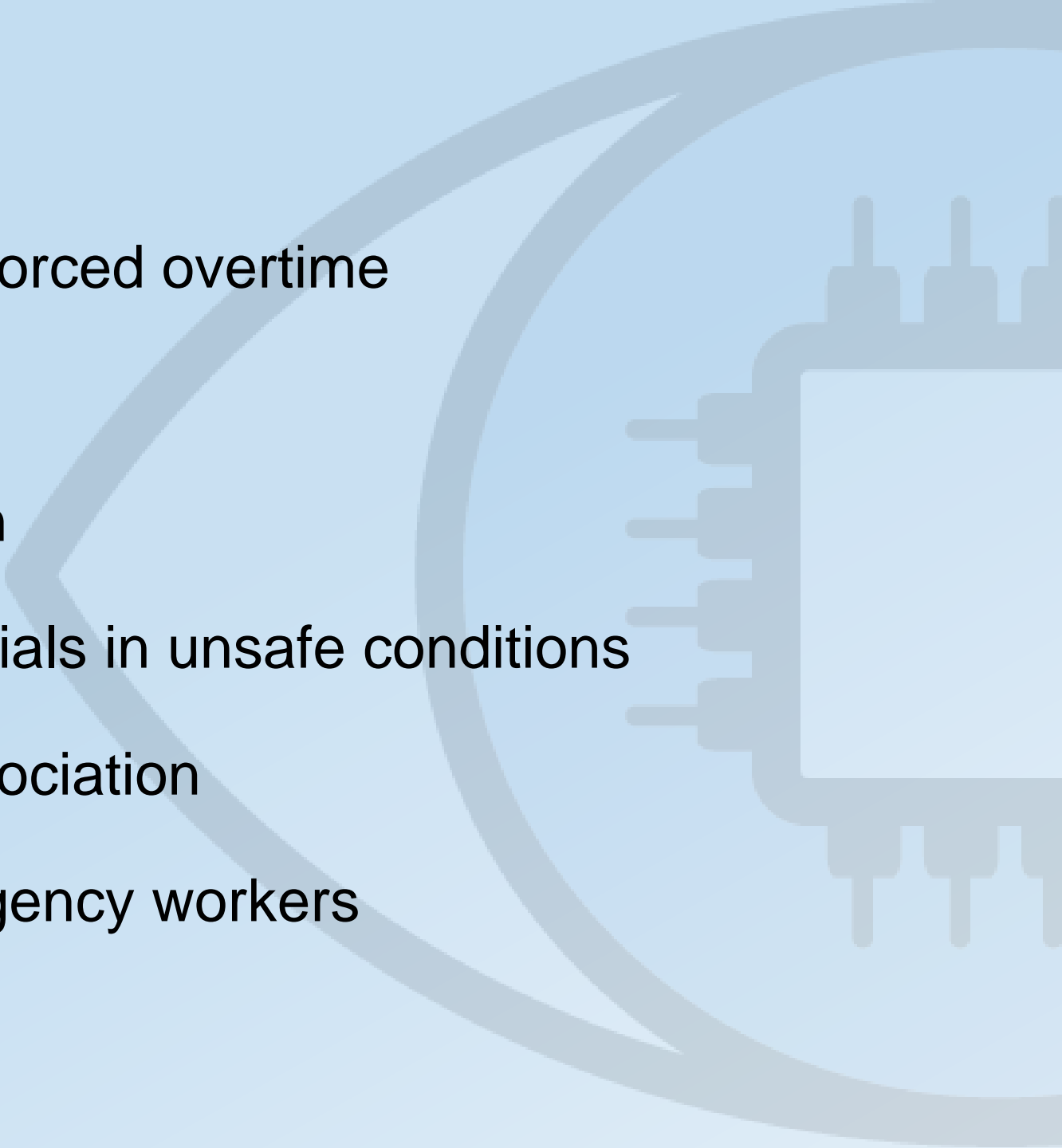
## Growing public buyer demand for decent working conditions

## Stronger worker voices



## Improvements in factories

## Recurring issues

- Excessive working hours and forced overtime
  - Low pay and withheld wages
  - Workplace abuse & humiliation
  - Working with dangerous materials in unsafe conditions
  - Restrictions on freedom of association
  - Exploitation of migrants and agency workers
  - Discrimination against women
- 
- A large, light blue graphic on the right side of the slide. It features a stylized eye shape on the left, with a thick grey outline. To the right of the eye is a grey silhouette of a circuit board or electronic component with several pins and connectors.

# SUSTAINABLE DEVELOPMENT GOAL 1

End poverty in all its forms everywhere



- 2017: 9.2% of workers living with their families earn than \$1.90 per person a day (UNSDG 2018 Report António Guterres Secretary-General of the United Nations).
- Workers in ICT supply chain, and their families continue to live in poverty.
- States should promote respect for human rights by business enterprises with which they conduct commercial transactions. (Principle 6, UN Guiding Principles on Business & Human Rights).

# SUSTAINABLE DEVELOPMENT GOAL 3

Ensure healthy lives and promote well-being for all at all ages



Samsung Electronics co-president Kim Ki-nam (left) poses for a photo with relatives of victims of work-related diseases (including leukaemia) of its semiconductor and LCD factories after he made a formal apology in Seoul, South Korea. **November 2018.**



## SUSTAINABLE DEVELOPMENT GOAL 3

Ensure healthy lives and promote well-being for all at all ages



I have occupational leukemia.

**Yi YeTing** discovers a leukaemia cluster in the neighbourhood surrounding Apple's main supplier Foxconn. Yi's research leads him to several workers and their families trying to survive while burdened with health care costs.

*Complicit*, a documentary film

## SUSTAINABLE DEVELOPMENT GOAL 3

Ensure healthy lives and promote well-being for all at all ages



- Some **brominated flame retardants**: in circuit boards and plastic casings, do not break down easily and build up in the environment. Long-term exposure can lead to impaired learning and memory functions. They can also interfere with thyroid and oestrogen hormone systems. Exposure in the womb has been linked to behavioural problems.
- **Cathode ray tubes (CRT)**: in monitors sold worldwide contain tens of thousands of tonnes of lead. Exposure to lead can cause intellectual impairment in children and can damage the nervous, blood and reproductive systems in adults.
- **Cadmium**: in rechargeable computer batteries, contacts and switches and in older CRTs, can bioaccumulate in the environment and is highly toxic, primarily affecting the kidneys and bones.
- **Mercury**: lighting devices for flat-screen displays, can damage the brain and central nervous system, particularly during early development.
- Compounds of **hexavalent chromium**: in production of metal housings, are highly toxic and carcinogenic to people.
- **Polyvinyl chloride (PVC)**: a chlorinated plastic used in some electronics products & wire and cable insulation.
- **Chlorinated dioxins** and **furans**: released when PVC is produced or disposed of by incineration (or simply burning). These chemicals are highly persistent in the environment and many are toxic even in very low concentrations. (2011, Greenpeace Report available [here](#).)

## SUSTAINABLE DEVELOPMENT GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



By 2030, achieve full and productive employment and decent work for all **women** and men, including for **young people** and persons with **disabilities**, and equal pay for work of equal value. (UNSDG 8.5)

**Factory:** China

**Products:** Notebooks and Servers

**Framework agreement:** UK Higher Education Framework Agreement

**Issue:** Involuntary student labour

**EW:** Onsite worker survey & worker-management dialogue training, dialogue with brands and factory, affiliate engagement

**Impact:**

- Student labour only with consent
- 48%: factory improved last 6 months



## SUSTAINABLE DEVELOPMENT GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Protect labour rights and promote safe and secure working environments for all workers, including **migrant workers**, in particular women migrants, and those in **precarious** employment.

(UNSDG 8.8)



*Foxconn in Pardubice, Czech Republic.*



# SUSTAINABLE DEVELOPMENT GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



**Factory:** Thailand

**Products:** Multifunctional Devices

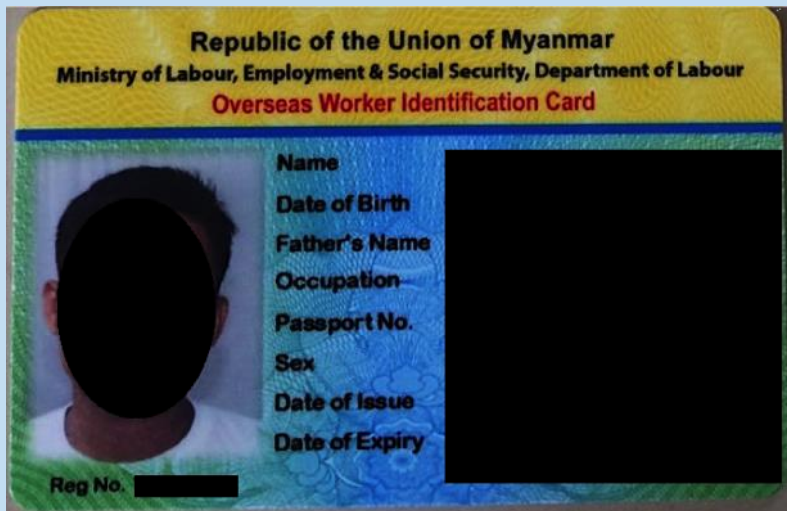
**Framework agreement:** Swiss local authorities framework agreement

**Issue:** Excessive recruitment cost for migrant workers & confiscation of passports and work documents.

**EW:** Ongoing communication with workers, in depth research on recruitment networks: interviews with workers and recruiters, dialogue with RBA, brands, and factory.

## Impact

- Passports & work documents returned to migrant workers
- Direct employment
- Workers compensated
- Working with industry to address root causes and prevent recurrence of violations.



# SUSTAINABLE DEVELOPMENT GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



**Factory:** Czech Republic

**Products:** Desktops, Workstations

**Framework agreement:** UK Higher Education framework agreements & others



**Core Issues:** Insecurity & inequality for migrant indirect workers, short notice periods before shifts, “Hidden” temporary agency employment. Other issues: accommodation and transport overcrowding.

**EW:** offsite worker interviews, documentary evidence, observation of dormitories & audit, dialogue with brands and factory, and affiliate engagement.

**Impact:**

- Transfer of temp agency
- More free weekends, less short notice
- Guaranteed income for short-term indirect workers

## SUSTAINABLE DEVELOPMENT GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking...  
(UNSDG 8.7)

### Modern Slavery Act 2015

**s54(5)** An organisation's slavery and human trafficking statement may include information about—

- (a) the organisation's structure, its business and its supply chains;
- (b) its **policies** in relation to slavery and human trafficking;
- (c) its **due diligence** processes in relation to slavery and human trafficking in its business and supply chains;
- (d) the parts of its business and supply chains where there is a **risk** of slavery and human trafficking taking place, and the **steps** it has taken to assess and manage that risk;
- (e) its **effectiveness** in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;
- (f) the **training** about slavery and human trafficking available to its staff.

## SUSTAINABLE DEVELOPMENT GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



- **Transparency:** Where are goods coming from? Are they from high risk regions and industries?
- **Due Diligence:** Requiring adherence to specified labour standards – e.g. a Labour Code – in collaboration with stakeholders (civil society, trades unions, workers).
- **Monitoring & Evaluation:** How will you assess compliance? What happens when suppliers fail to meet specified standards?
- **Remedy:** What efforts will you take to remediate ‘workers and prevent any further of future victimization?
- **Training:** For your own staff – being able to identify and act on risks.





## SUSTAINABLE DEVELOPMENT GOAL 12

Ensure sustainable consumption and production patterns



- 12.1 Developed countries taking the **lead** on sustainable consumption and production programmes.
- 12.2 **Sustainable management** and efficient use of natural resources.
- MakeICT Fair: Will look to extended EW monitoring down to mining level (2020+).

## SUSTAINABLE DEVELOPMENT GOAL 12

Ensure sustainable consumption and production patterns



Encourage companies, especially large and transnational companies, to **adopt sustainable practices** and to **integrate sustainability information** into their reporting cycle.  
(UNSDG 12.6)

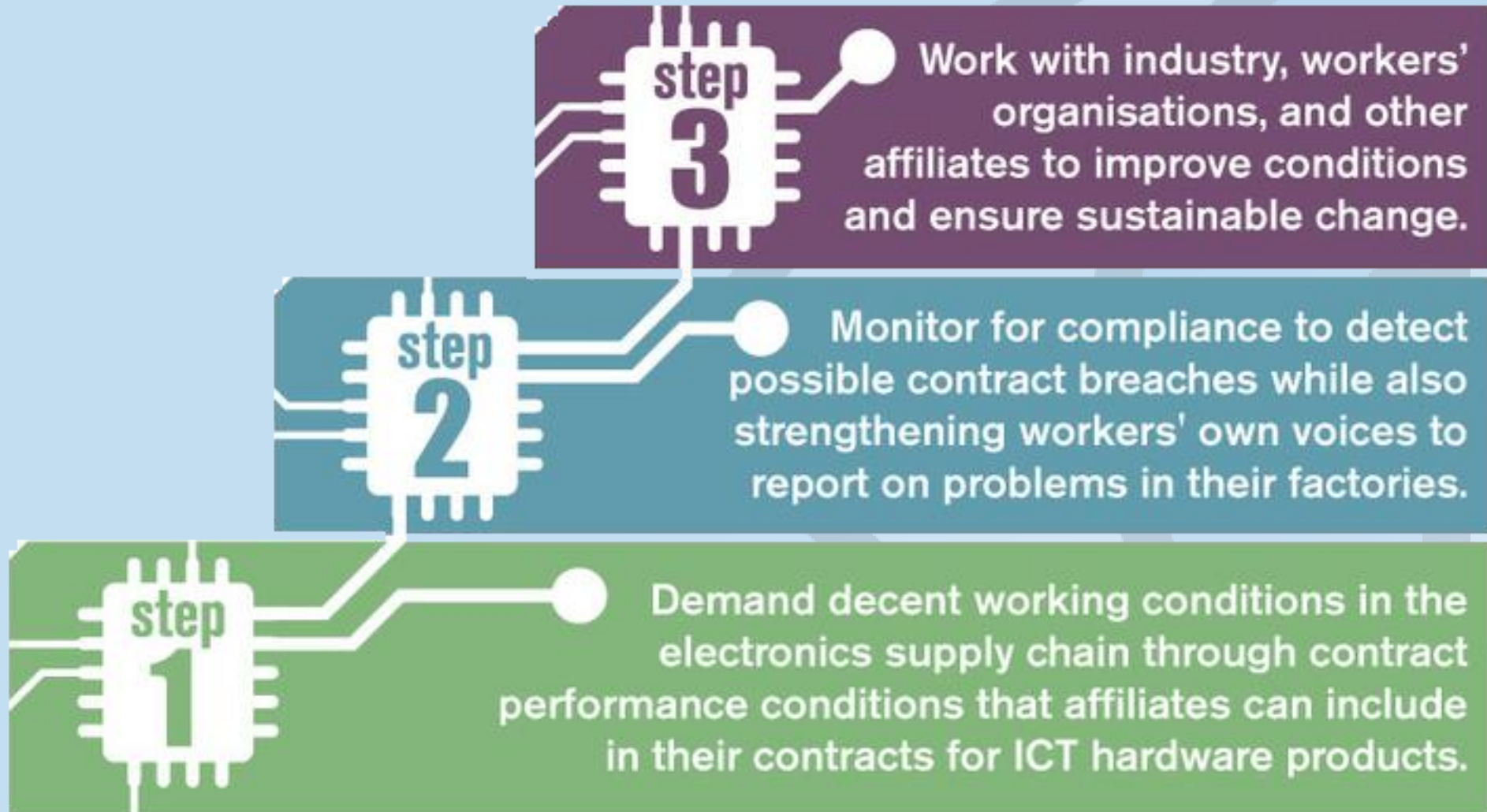
## SUSTAINABLE DEVELOPMENT GOAL 12

Ensure sustainable consumption and production patterns



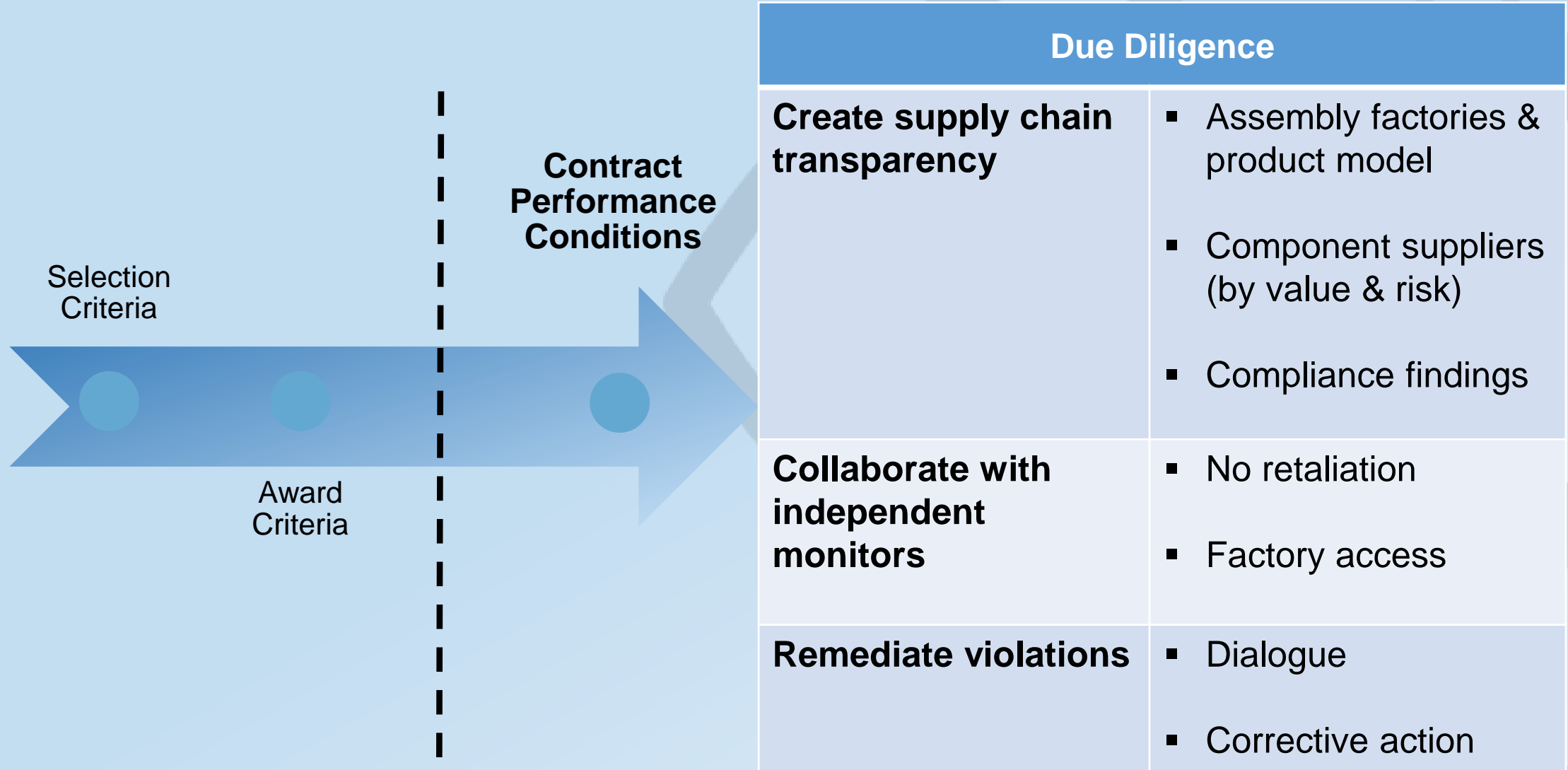
**Promote public procurement practices** that are sustainable, in accordance with national policies and priorities. (UNSDG 12.7)

# Contracting for Change





# Contract Performance and Due Diligence Obligations



# Example Contract Agreements with Electronics Watch Clauses

## UK (higher education)

- Apple Equipment & Services
- Desktops and Notebooks
- Servers, Storage & Solutions National Agreement
- Networking equipment (for entire University of Edinburgh campus)

## Netherlands (ministry of education)

- Networking equipment

## Switzerland (municipalities, counties, hospitals, airports)

- Desktops, notebooks, printers, screens, tablets

## Germany (universities)

- Printers, notebooks, work stations, all in ones, desktops, screens, servers, tablets

### Electronics Watch Contract Conditions for Supply Contracts

#### Part I: Contract Conditions

##### Introductory provisions

1. These Conditions are for inclusion in a contract between the Affiliate and the Contractor for the supply of electronic goods.

OR

These Conditions are for inclusion in a contract for goods and services between the Affiliate and the Contractor, which involves the temporary or permanent provision of electronic goods.

2. In these Conditions:

"Affiliate" means an affiliate of Electronics Watch who, as a contracting authority (as defined in Directive 2014/24/EU), monitors Code compliance in Factories through Electronics Watch;

"Code" means the Electronics Watch Code of Labour Standards contained at Part III to these Conditions, or an equivalent code<sup>1</sup> of international labour standards;

"Conditions" means the Electronics Watch Contract Conditions for Supply Contracts;

"Contract" means the legally binding agreement between the Affiliate and the Contractor that requires the Contractor to supply the Goods under the terms of the Conditions;









"Contract of Employment" means a contract of service or apprenticeship, whether express or implied, and (if it is express) whether oral or in writing;

"Contractor" means the business enterprise that enters into the Contract with the Affiliate;

<sup>1</sup> Equivalent codes require compliance with country of production labour laws, including health and safety regulations, and international labour standards, including the ILO core conventions (please see clause 2 at Part III to these Conditions).

<sup>2</sup> Please see Article 42(13) of the Public Contracts Regulations 2015 that indicates that where a precise description of the subject-matter of a contract is not possible, reference to the contract shall be accompanied by the words "or equivalent".

# Reporting Monitoring Results

		Issue	Recurrent?	Urgent or core	Pertinent labour law	Legal issue?	Improvement recommendations
1. Hiring	1.1.	60% of employees interviewed were hired by independent recruiters.			Article 4 of the Short Term Rules on Labour Contracting  Article 3 of the Short Term Rules on Labour Contracting		<ul style="list-style-type: none"> <li>The government prohibits employers from hiring in excess of 10% of their employees through outside recruiters.</li> <li>The government requires employers to restrict the use of employees hired through outside recruiters to short-term jobs which will not continue beyond six months, jobs which only supplement the firm's "core" work or jobs for which the firm needs short-term help to substitute for existing employees off from work for study, vacation, etc.</li> </ul>
	1.2.	Recruiters sometimes collect fees from job seekers, including "introduction fees" to obtain a job and other fees to get some applicants removed from a "no hire" list. Recruiters may send a portion of fees to their connections within the firm's HR.			Article 60 of the Labour Contract Law		<ul style="list-style-type: none"> <li>The government prohibits employers and outside recruiters they work with to hire employees from collecting fees from employees in the hiring process. The government expressly prohibits recruiters from deducting fees from the income sent by employing firms to recruited employees.</li> </ul>
2. Employment agreements	2.1.	Most employees hired through recruiters sign three or six month employment commitments with recruiters; they do not sign employment agreements directly with the firm until they finish two months employment.			Article 58 of the Labour Contract Law		<ul style="list-style-type: none"> <li>The government requires recruiters who employ people to send them to work for other firms to sign a minimum of a two year, fixed term employment agreement with the employees they recruit.</li> </ul>



Urgent

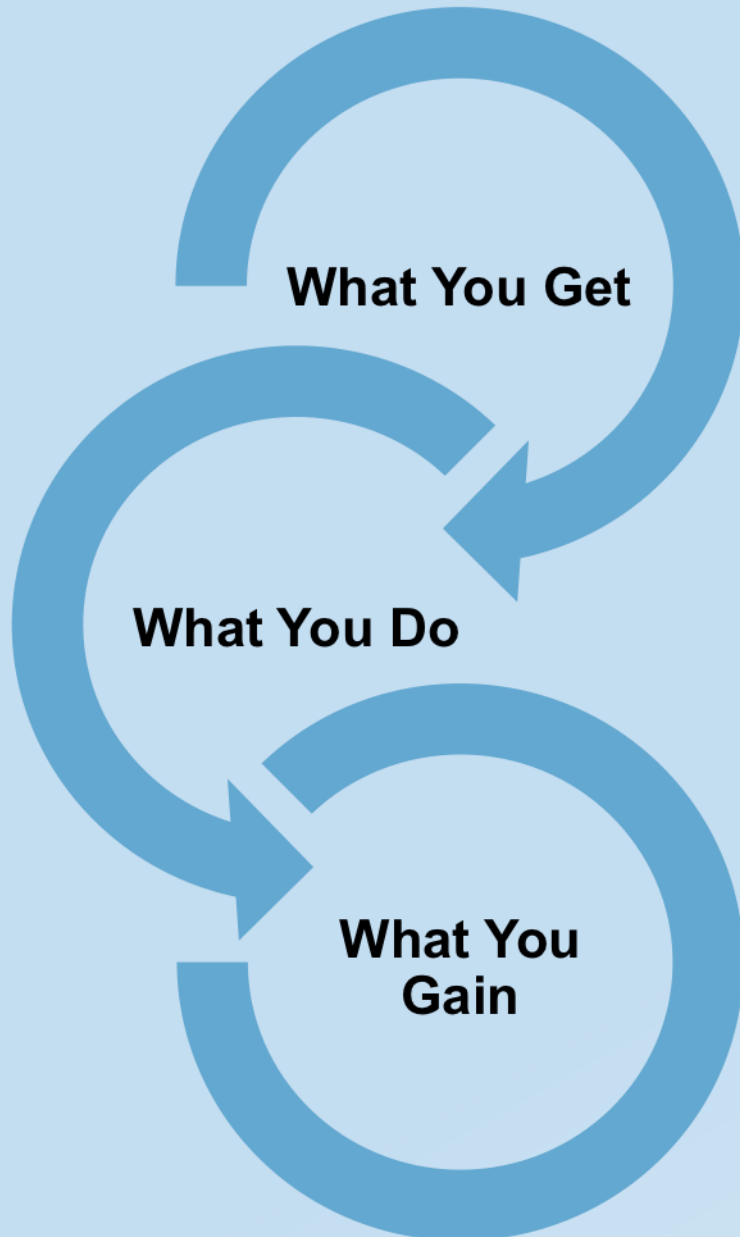


Core



Recurrent

# Benefits of Collaboration



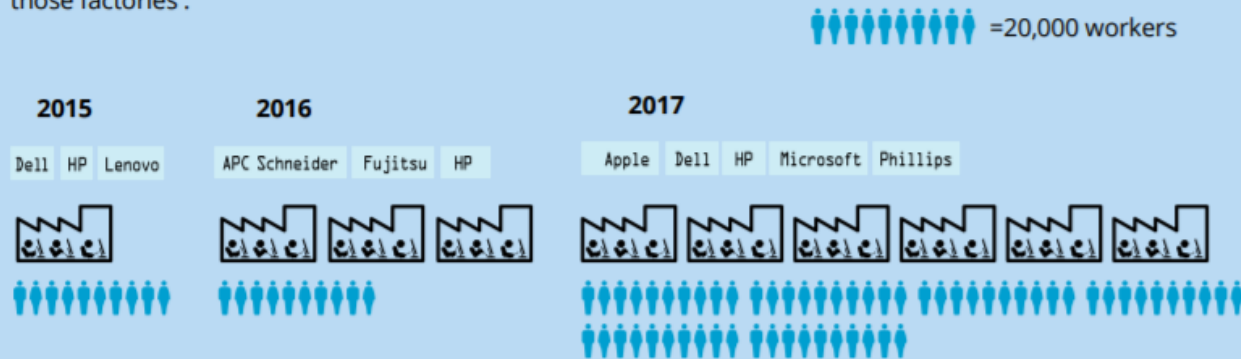
- **Monitoring reports** on your supply chain & Action Guide
- **Public buyer toolkit:** model contract clauses, Contractor Guidance, disclosure forms, tools for contractors
- **Voice** in Electronics Watch

- **Share cost** of monitoring with affiliate network
- **Use contract clauses** to address conditions in supply chains
- Provide **product data** to Electronics Watch

- Measurable **improvements** in socially responsible public procurement of ICT hardware
- Increased **supply chain transparency**
- Visible **leadership**
- **Knowledge exchange** across Europe
- **Insights** beyond social audit perspective

# Questions?

The diagram below shows the brands Electronics Watch have engaged, the number of factories investigated, and the total number of workers employed in those factories .



- Browse: [www.electronicswatch.org](http://www.electronicswatch.org)
- Email Harpreet: [hpaul@electronicswatch.org](mailto:hpaul@electronicswatch.org)
- Tweet: @electrowatch
- Keep a look out: **Electronics Watch Symposium** (9 - 10 December 2019 TBC)