

(Jan 2017)



## All 44 of APUC's HE/FE Members join Electronics Watch

### Introduction

The HE and FE sectors in Scotland spend over £20m annually on IT hardware – laptops, desktops, tablets, mobile devices, servers etc. The IT hardware industry has been dogged by issues related to its labour standards in recent years, involving virtually all major brands.

Due to the nature of the products sourced, the supply chains are notoriously convoluted and also often shared by several brands. This can make identifying, investigating and improving issues complex and difficult.

The institutions, including their key stakeholder groups (staff & students) across the HE/FE sectors in Scotland were keen to use their collective and individual supply chains to take positive action to identify and then reduce and remove as far as is possible, labour rights abuses in their supply chains and to use their supply chains to bring positive change.

During Q4/2017, the Procurement Strategy Group for Scottish Universities and the Procurement Strategy Group for Scottish Colleges, unanimously agreed for the sectors to add their collective weight and for all institutions to obtain membership of the international response to these increasing issues - Electronics Watch - via a collective arrangement organised and managed by APUC, their Centre of Procurement Expertise.

It is understood that Scotland is the first country in the World where all the Universities and Colleges in a country (or indeed all organisations within an entire sector of any type) will be members of Electronics Watch.

### Electronics Watch

Electronics Watch (EW) was founded in 2013 as the result of a European Commission funded project to drive for improvements in labour standards in the IT industry, specifically across public buyers and is now a wholly independent run and funded organisation. The group is set up specifically to provide means for public buying organisations across Europe and now beyond (the first members in North America joined in January 2017) to embed measures to identify labour issues in their IT supply chains and drive the necessary improvements. APUC, the University of Edinburgh and the University of Aberdeen were founding Members.

EW provides a structure compliant with EU public procurement legislation to investigate, monitor and address labour issues in IT products supplied to public buyers. It is designed to utilise the collective power of buyers across Europe, whilst remaining independent of any brands or suppliers. Previous to January 2015 & this collective arrangement for our members, 21 organisations across 5 nations, representing cities, boroughs, departments, universities and consortia have joined together to deliver

monitoring of their IT supply chains and are receiving reports and improvement plans for factories in their supply chains.

Membership gives access to:

- Risk assessments and compliance investigations
- The opportunity to combine market influence with other public buyers
- Support for frontline procurement staff in contractor engagement
- A voice in Electronics Watch and recognition for their work to ensure social responsibility in electronics supply chains

### **Timeline**

EW operates an annual affiliation model. APUC are working with EW to align current membership years to the new consortia model. EW have confirmed APUC member affiliation will be aligned to the sectors academic year (August to July), it is planned to implement this new membership model from January 2017.

### **Membership benefits**

Each APUC member will:

- Have individual EW member recognition on the EW website (linked to an overall consortia membership).
- Have access to EW supply chain data
- Original founder members (APUC, University of Edinburgh and University of Aberdeen) will remain recognised as such on EW website.
- Have full EW affiliate website access – with access to published reports, contract clauses, training, webinars and updates.
- Be able to use the EW logo on their institutions' website and share this with students / prospective students.
- Be able to release supply chain information to EW to participate in worker monitoring (it is anticipated that a reporting route through APUC would be used in order to reduce repeated requests on suppliers and same information being forwarded on to EW).

### **Further Information**

More information on Electronics watch is contained in Annex A and is also available from their website <http://electronicswatch.org/en>

## Annex A



Responsible public procurement.

Rights of electronics workers.

**Electronics Watch is an independent monitoring organisation that assists public sector buyers to meet their responsibility to protect the labour rights of workers in their global electronics supply chains more effectively and less expensively than any single public sector buyer could accomplish on its own.**

### The Industry

During the last decades the global electronics industry has become one of the largest in the global economy. There are an estimated 18 million electronics workers who generate 25% of global trade in manufactured goods. Electronics brands are some of the most valuable companies in the world. As of 2016, Foxconn, an electronics contract manufacturing company, is the world's second largest private employer.

Unfortunately, workers have helped shoulder the cost of industry growth.

Since the 1980's brands have transferred labour intensive activities to low cost locations across the globe, including Southeast Asia, China, India, Eastern Europe, and Mexico.

Frequent new product development, short product life cycles, market uncertainty, lack of production forecasting, and minimal brand inventory result in production peaks and valleys, late orders, and changes to orders in midstream. Factories must produce increasingly complex products "just-in-time," with expectations of ever shorter time-to-market (the length of time it takes from conceiving a product to making it available for sale). Delays anywhere in the supply chain are costly and downward price pressure further reduce margins for error.

Workers often have to absorb these production stresses. Factories demand excessive overtime hours 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. Lawmakers have relaxed labour laws in a number of countries to make it easier for companies to hire temporary workers.

Fast and low cost production often causes friction with workers' fundamental labour rights, the freedoms from forced labour and child labour, non-discrimination, the freedom of association, and the right to collective bargaining. Democratic and independent unions struggle to organize the rapidly increasing numbers of temporary workers, and most workers have little chance to bargain collectively on their conditions of employment and no access to effective grievance mechanisms. As a result, workers are increasingly vulnerable to other abuses, including serious health and safety hazards, such as prolonged exposure to cancer-causing chemicals.

### The Electronics Watch solution

Electronics Watch believes that the public sector, in its role as consumer, can help to change this picture. Public sector organisations value social responsibility and sustainability along with transparency and fair competition. They are large consumers of ICT hardware such as portable and desktop computers, printers, display screens, and media storage, and purchase these products through long-term contracts. They can, therefore, create market opportunities for companies that commit to respect labour rights and safety standards in global supply chains, and hold them accountable for any failure to do so.

Electronics Watch organises public sector buyers and gives them the essential tools to create effective market demand for decent working conditions in their ICT hardware supply chains. Public sector affiliate members pool resources through Electronics Watch to obtain reliable intelligence about working conditions at significantly reduced cost. They insert the Electronics Watch Contract Conditions in ICT hardware contracts, requiring their contractors to exercise due diligence to achieve respect for labour rights and safety standards in factories that assemble or make the components of the goods they purchase. When public sector buyers in many countries take action together, based on the same supply chain intelligence and the same enforceable contract requirements, working conditions can improve.

*Electronics Watch is the result of a €1 million European Commission funded project from 2013-2015, led by the NGO [SETEM Catalunya](#). Other project partners were [Centrum CSR](#) (Poland), [DanWatch](#) (Denmark), [People and Planet](#) (UK), [SOMO](#) (Netherlands), [Südwind](#) (Austria), and [WEED](#) (Germany). This consortium conducted research on the electronics industry and developed model contract clauses, a code of labour standards, and other procurement tools consistent with EU public procurement directives. They fostered dialogue and educational forums with public sector buyers in many regions across Europe and recruited the first affiliates to Electronics Watch. The project ended in 2015 and Electronics Watch is now an organisation independent from the original project partners. However, many of them remain active, educating their constituencies about socially responsible public procurement and working conditions in the global electronics industry.*

### **The Electronics Watch model for change is a three-step process:**

- First, Electronics Watch organises enforceable demand for decent working conditions in the ICT hardware supply chain through contract performance conditions that affiliates include in their contracts for ICT hardware products.
- Then Electronics Watch monitors for compliance and helps to strengthen workers' own voices to monitor and report on labour rights and safety breaches in their factories.
- Finally, Electronics Watch works with affiliates, workers, companies and other stakeholders to address the problems in factories, compensate workers for harm they have suffered, and develop "socially responsible trading conditions" to ensure sustainable change.