

Electronics Watch Questions & Answers

You are considering affiliating with Electronics Watch and have some questions.

We have answers.

1) What is Electronics Watch?

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

Developed by seven European partner organisations with the help of a €1 million European Commission investment from 2012-2015, Electronics Watch is a non-profit organization under Dutch law. Our Board of Trustees represents the three blocks of the organization: public sector buyers; civil society organisations from electronics production regions; and experts in human rights and global supply chains.

2) Is Electronics Watch for me?

Yes, Electronics Watch is for you if you are a public or semi-public buyer of electronics products and would like to address the risks of safety and labour rights violations in the global supply chains where the products you buy are made. Electronics Watch was initiated in Europe, but you do not have to be from Europe to affiliate.

We invite you to be one of the first 25 affiliates and gain permanent recognition on our website as a founding member of Electronics Watch.

3) Why should I join?

There are many reasons. Here are some:

- ✓ Because you care, your organisation cares, your colleagues care, and the taxpayers in your community care about a more sustainable and just world with better working conditions for workers in global supply chains.
- ✓ To help achieve your own goals for sustainable and socially responsible procurement and to mitigate risk of safety and rights violations to workers who manufacture the electronics products you buy.
- ✓ To mitigate business risks to your own organisation and be accountable to staff, service users, and the people in your community who increasingly expect organisations like yours to consider the impact of your purchasing on society in general and on workers in global supply chains specifically.
- ✓ To engage with colleagues across Europe who share your concern for addressing safety and rights violations in electronics products supply chains.

- ✓ Because as a public procurement organisation you are responsible for investigating and addressing human rights violations in your supply chains, an obligation established in the United Nations Guiding Principles on Business and Human Rights (Principle No. 6).
- ✓ To help your government comply with Article 18(2) of the new EU Procurement Directive, requiring Member States to ensure compliance with certain human and labour rights conventions in the performance of any public contract.
- ✓ Because pooling resources with similar organisations across Europe is the most cost efficient way of achieving results.
- ✓ Because combining market influence with other public buyers is a better way to improve conditions in your supply chain than acting alone.

4) What kind of monitoring do you do?

Electronics Watch serves as the “eyes and ears on the ground” for affiliates. That means we do not work with social auditors that fly in and out and do snapshot audits, but with qualified local civil society organisations who undertake continuous intelligence gathering in real time, every day, through trusted relationships with workers. These organisations, a global network of approved Electronics Watch monitors, meet the following criteria:

- ✓ **Experience and expertise.** They must have expertise in several of the following areas: international, regional and national labour law; labour issues in the electronics industry; occupational health and safety; human rights due diligence; audits of financial and personnel records; worker interviewing; gender sensitivity; worker training; operating independent hotlines or complaint mechanisms; and following up on worker complaints.
- ✓ **On-going relationship of trust with workers in electronics factories.** They must be able to meet with electronics workers in safe settings where workers can share information about workplace hazards and rights violations that they are often reluctant to share with industry social auditors, fearing employer retaliation.
- ✓ **Independence from the industry.** They can have no direct financial support from any company that will be monitored for Electronics Watch, and there can be no industry representatives involved in decision-making or in any other capacity that could create a conflict of interest.

Electronics Watch monitors conduct a range of monitoring activities, including off-site worker interviews, interviews with factory managers and supervisors, inspection of factory premises, and review of factory personnel records and other factory documents. In contrast to industry social auditors, they also engage with workers in other ways, for example, conducting education and training on labour rights and occupational safety and health, or providing legal services and other support for workers. Their close relationships with workers enable them to act quickly when needed to appraise and respond to allegations of non-compliance, and to stay engaged over a long period of time, when needed to oversee the process of corrective action.

5) So, it is monitoring based on worker engagement. But do you get credible and accurate information?

Absolutely.

Independent monitoring that supports workers in developing and expressing their own voice is the only form of intelligence gathering that can produce accurate results. Only workers have continuous access to their factories and know what is happening on their floors.

By contrast, there are several well-documented flaws of social auditing practices that often result in reports, ratings, or certifications used by industry. Those flaws include:

- ✓ Snapshot audits that fail to capture violations as factory conditions can change day-to-day. A fire door that is unlocked one day may be locked the next day. An aisle that is clear one day may be obstructed the next day, when an emergency order has resulted in boxes being stacked in inappropriate areas. Social auditors would not know about these violations unless they happened to arrive at the right moment.
- ✓ Failure to document and remediate violations of workers' rights that are difficult to measure or detect at a glance, such as discrimination or violations of freedom of association.
- ✓ Conflict of interest—where auditors are paid by the factories they audit or when companies monitor themselves—resulting in unreliable findings and lack of adequate follow-up.

Independent monitoring based on worker engagement is not yet a common practice in public procurement, but it has been piloted to great success. We now want to make it an integral part of socially responsible public procurement.

6) What specifically do I get from Electronics Watch if I affiliate?

You get reports of the monitoring we conduct on your electronics supply chains and the supply chains of other affiliates. We produce the following types of reports:

✓ Supply Chain Map and Regional Risk Analysis

Based on literature review and consultations with Electronics Watch monitors, the report highlights risks of code violations based on regional issues (e.g., law and enforcement capacity, trade union rights and capacity, industry trends) where factories in your supply chain are located, and assesses challenges of addressing the risks.

✓ Survey of Factory Risks

Based on consultations with Electronics Watch monitors and worker interviews, the report identifies actual or potential code violations in disclosed factories, estimates affiliate and contractor leverage to address violations (based on purchasing volume and other factors), notes possible challenges, and provides a plan for compliance investigations as necessary.

✓ Compliance Investigation and Monitoring of Remediation

Based on extensive evidence gathering through off-site worker interviews, interviews with factory

management and supervisors, review of factory personnel records and other factory documents, the report presents conclusive findings regarding the potential violations identified in the risk analyses or in related allegations or complaints. If Electronics Watch finds breaches of the Electronics Watch Code of Labour Practices, we will also develop a recommended corrective action plan for the factory and work with the factory management, workers and their representatives, the contractor, and the brand where necessary, to implement the steps needed to correct the violations.

✔ **Worker Complaint Report**

Based on in-person worker complaints, hotline reports, and consultations with Electronics Watch monitors, the report identifies actual or potential code violations in any of the disclosed factories, and recommends steps that factories, contractors, brands, and affiliates should take to mitigate and prevent risk of violations as appropriate.

7) Won't these monitoring reports create more work for me?

No, they should help to decrease your workload and provide you with credible information for contract management.

If you have ever received an allegation of labour violations somewhere in the supply chain—perhaps through a media report—you know how difficult it is to research the allegation, let alone address violations and verify that contractors have taken appropriate corrective action. Electronics Watch will do that investigative work for you.

Electronics Watch can also engage with contractors and suppliers further up the supply chain on your behalf to ensure they take action, consistent with contract conditions, to mitigate risk of violations and take corrective action when necessary. If a contractor fully cooperates with an investigation and agrees to take the steps necessary to remedy violations you do not need to engage. Only in cases where a contractor refuses to take certain steps, required in the contract conditions, to address violations in the supply chain will we ask you to engage. Of course it is always your decision whether or not to apply sanctions to enforce the contract terms, but we suggest you do that as a last resort only.

8) What are the requirements of affiliates?

There are three requirements.

✔ Incorporate the Electronics Watch Contract Conditions in contracts for the supply of electronics goods. The Contract Conditions include mutually reinforcing sections on standards, verification, and enforcement best adopted as a whole. However, if you prefer, you can choose to use your own language on contract enforcement, and develop replacement language for any sections that are incompatible with local policy and practice in consultation with Electronics Watch. See below for additional details about the Contract Conditions.

✔ Appoint a liaison to serve as the primary point of contact between Electronics Watch and the public sector organisation.

✔ Pay annual affiliations dues to Electronics Watch based on your annual electronics products purchasing volume.

9) How much does it cost?

The cost depends on how much your organisation spends on ICT hardware, as your volume of purchasing reflects the cost of monitoring those supply chains. Your annual affiliation dues pay for an extensive international intelligence-gathering network to monitor and report on safety and rights violations in your supply chain, and to work long-term to redress non-compliances and prevent their recurrence. The costs are detailed [here](#).

10) How do I affiliate?

You submit the Founding Members form. If you would like to develop an agreement with more details specific to your circumstances we can do that. Just let us know.

11) Why is the use of contract conditions an affiliation requirement?

No contractor can offer a certification or guarantee of complete compliance with labour standards in global supply chains, so selection or award criteria that require certain certifications or ratings are not alone sufficient to ensure compliance. Electronics Watch has therefore developed Contract Performance Conditions as a tool for affiliates to address working conditions in supply chains during the term of the contract. The idea is that factories will be better places to work at the end of contract terms than at the beginning thanks to the implementation of the contract conditions.

The goal is to achieve compliance with the Electronics Watch Code of Labour Standards. This Code includes domestic standards defined in applicable domestic labour law. Those laws are often comprehensive and tailored to local conditions. Yet, they do not always provide the level of worker protection that international standards do. Because most countries have committed to implement international standards in their own laws, the Code enforces international labour standards as defined in the fundamental conventions of the International Labour Organization, and additional international standards relevant to electronics manufacturing. Because the international labour conventions lack the specificity to make them enforceable, the Code also contains a set of sub-standards for each main standard that describes specific practices that are not allowed. Thus, the standards in this Code are general enough that they capture the widest possible swath of violations, but also specific enough to be easily interpreted and enforced.

12) Do small contractors and resellers also have to meet the Contract Conditions?

Yes. The contract conditions have inbuilt flexibility to be fair to different kinds of suppliers, so complying is doable for small businesses and resellers.

Following the United Nations Guiding Principles on Business and Human Rights, we are not looking for a guarantee of compliance, but we do expect companies to exercise due diligence to achieve human rights compliance. This responsibility applies to all companies, no matter their size. Accordingly the Electronics Watch Contract Conditions can apply to any type of contractor, whether a brand with considerable influence over its supply chain, or a reseller, further removed from the factories and suppliers.

But the means through which contractors exercise due diligence and meet their responsibility to respect the Electronics Watch Contract Conditions can vary according to their size and relationship to suppliers. In the contract terms, this flexibility is embodied in two types of obligations: necessary steps which provide that the contractor “*must*” do something, and obligations which provide that the Contractor “*must exercise its leverage*” to achieve compliance. “Leverage” means the ability the contractor has to effect change in the practices of its suppliers. Exercising leverage includes using bargaining power over its suppliers, exercising contractual rights, or building the capacity of suppliers to achieve the intended outcome. A large brand will usually have more leverage than a small reseller, and will have proportionally more responsibility to achieve compliance with the Code of Labour Standards than the smaller reseller.

13) So, what are contractors required to do concretely?

Contractors must:

- ✓ **Disclose** the names and locations of factories (not all suppliers) producing the goods to be supplied under the contract, including any industry audit report accessible to the contractor, within 30 days of the contract signing.
- ✓ **Plan** the steps it will take to mitigate the risk of breach of the Code among suppliers where the goods are made, and, when a breach is discovered, develop steps it will take to remedy the breach and compensate affected workers.
- ✓ **Report** the Contractor Compliance Plan within 30 days of contract signing, and report on implementation every six months.
- ✓ **Engage**
 - Suppliers, to prevent them from contributing to or causing breaches of the Code in the production of the goods, and to cause them to cooperate and engage with Electronics Watch in remedying and preventing breaches.
 - Factories, to obtain access for Electronics Watch's independent monitors.
 - The contracting authority (affiliate), to report on actions to address actual or potential breaches of the Contract Conditions.

14) What happens if a contractor fails to meet these requirements?

If the contractor fails to take necessary steps or exercise its leverage to achieve compliance, Electronics Watch can engage with the contractor informally to try to bring about compliance. If that does not work we would recommend formal escalation procedures as provided for in the Contract Conditions. Electronics Watch can continue to engage with the contractor at this stage on behalf of one or several affiliates. We hope to resolve most issues informally or through the escalation procedures, without the need for affiliate engagement. However if the contractor refuses to engage, affiliates can decide to apply contractual sanctions.

15) Is there a role for the private sector with Electronics Watch?

Electronics Watch operates independently from the private sector, but we welcome engagement and exchanges with companies that seek to increase compliance with safety and labour rights standards in global supply chains. Specifically, we can support companies in complying with Electronics Watch Contract Conditions that are incorporated in electronics contracts, and we welcome dialogue with companies on systemic issues to help address labour violations in global supply chains.

Well, this was helpful but I still have more questions.

No problem. Please send us an email and we will be glad to talk to you. We can also set up a webinar to explain the Electronics Watch model to you and your staff. In certain countries we can also arrange for in-person meetings in your language.

Contact: info@electronicswatch.org