

Electronics Watch Annual Report 2023



# Electronics Watch Annual Report 2023

 Electronics Watch

June 28, 2024

## A word of thanks

Dear Reader:

As we close this remarkable year, we extend our immense gratitude to all of you — your unwavering support has been instrumental in our successes.

### Thank you to our monitoring partners in 14 countries

For your diligent, committed, and heartfelt work, often in challenging circumstances. You have interviewed workers, led

focus group discussions, delivered health and safety training, created accessible grievance channels, and identified 152 violations and 122 risks of violations in 11 countries.

### **Thank you to our Affiliates and participants in the Low Emission Vehicle Programme**

For your collaboration to promote transparency of key suppliers. This year affiliates have reported 102 new ICT product models to Electronics Watch and identified 208 new factories in their supply chains. LEV participants have established a dialogue on human rights due diligence with 15 companies in the automotive sector.

### **Thank you to our donors**

For making our work in 2023 possible. We are grateful for grants from: Barcelona City Council, the European Project for Responsible Minerals (EPRM), the Initiative for Global Solidarity (IGS) of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Swiss Church Aid HEKS/EPER, and the Open Society Foundation (OSF).



### **Thank you to trade unions**

For all the meetings and discussions to develop the concept of worker-driven remedy, and for engaging our monitoring partners in many cases.

### **Thank you to resellers and brands**

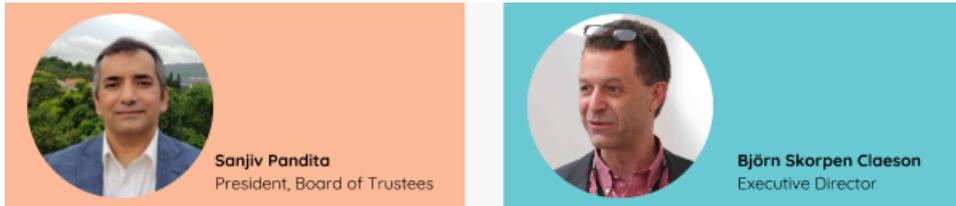
Who responded constructively to affiliate requests for transparency and for evidence of effective human rights due diligence.

### **Thank you to our Board and to our staff**

For your commitment and vision, and for making it all happen.

This is the practice of worker-centered human rights due diligence. It will leverage the new generation of mandatory legislation to promote a paradigm shift from company-controlled due diligence to worker-driven due diligence, where workers' rights, needs and perspectives are paramount. We describe how we will do this in our [Strategic Plan 2024-2028](#).

Read on for an overview of our activities in 2023.



## 2023 highlights

## Six new affiliates and a new monitoring partner



Six new public sector organisations from five countries affiliated, and one new monitoring partner joined Electronics Watch during 2023.

## Impact & Innovation programme launched



We began a new programme that will enable public authorities to support workers across more high-risk purchasing categories, beyond ICT and Low Emission Vehicles.

## Monitoring in mines



In February, we launched a **three-year pilot project** to build the capacity of miners to improve their working conditions through monitoring, remediation, social dialogue and awareness-raising.

## Industry dialogue



In March, we signed a new **Terms of Engagement** with the Responsible Business Alliance. The new terms reflect lessons learned and include several improvements, like a fast-track process for urgent issues and customised assessments and investigations.

## Principles of Worker-Driven Remedy



In June, we published the first draft of our [Principles of Worker-Driven Remedy](#), a guiding framework for public buyers and other stakeholders to address harm to workers. It was developed in consultation with trade unions, labour rights organisations, and public buyers. [Read more about this below](#).

## Virtual Summit



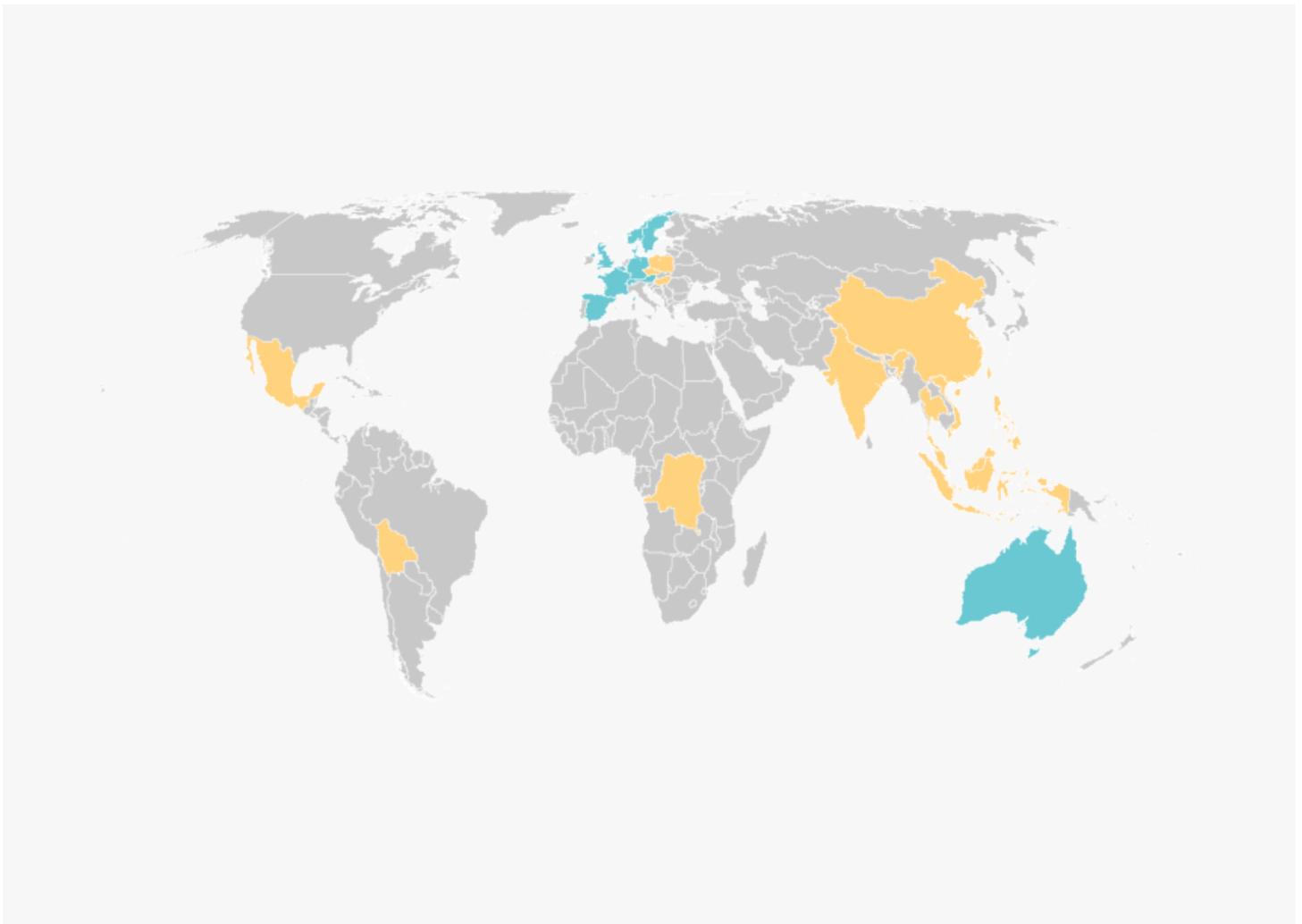
Our Virtual Summit brought together affiliates, monitoring partners and experts from 32 different countries to share insights on how public buyers and workers are advancing human rights together. [Watch the public sessions here!](#)

## UN Forum on Business and Human Rights



In November, we were pleased to co-organise a session on remedy with the University of Greenwich at the 12th UN Forum on Business and Human Rights which took place in Geneva.

## Our network of affiliates, LEV participants and monitoring partners around the world





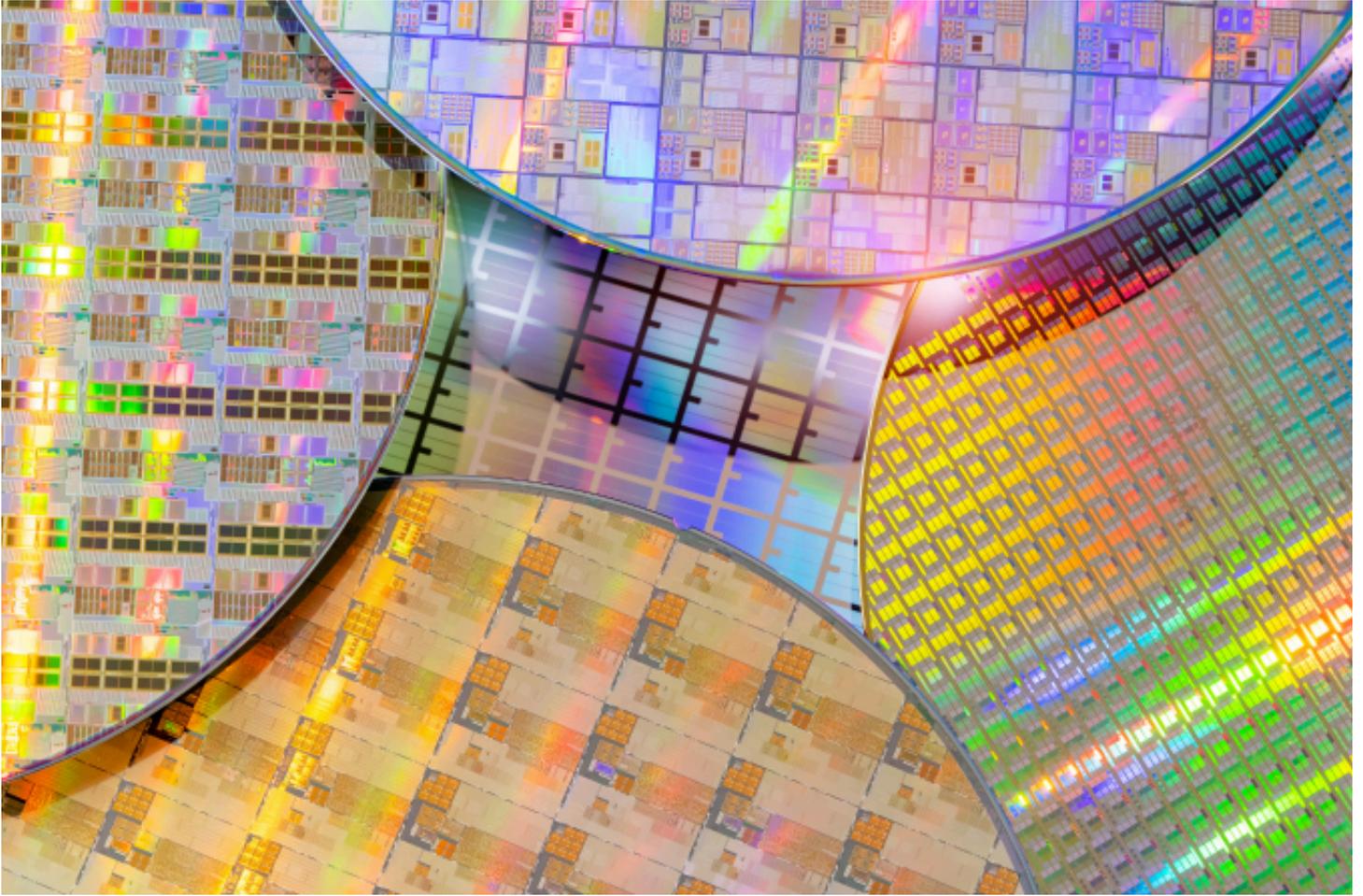
## Remedy in focus

### *Putting affected workers at the heart of the remediation process*

In 2023, Electronics Watch developed the **Principles for Worker-Driven Remedy** in consultation with trade unions, labour rights organisations, and public buyers. In these 10 principles, we propose removal of barriers to worker participation and meaningful engagement of stakeholders, and transparent, timely and urgent action with workers at the core. We insist on protection and promotion of trade unions.

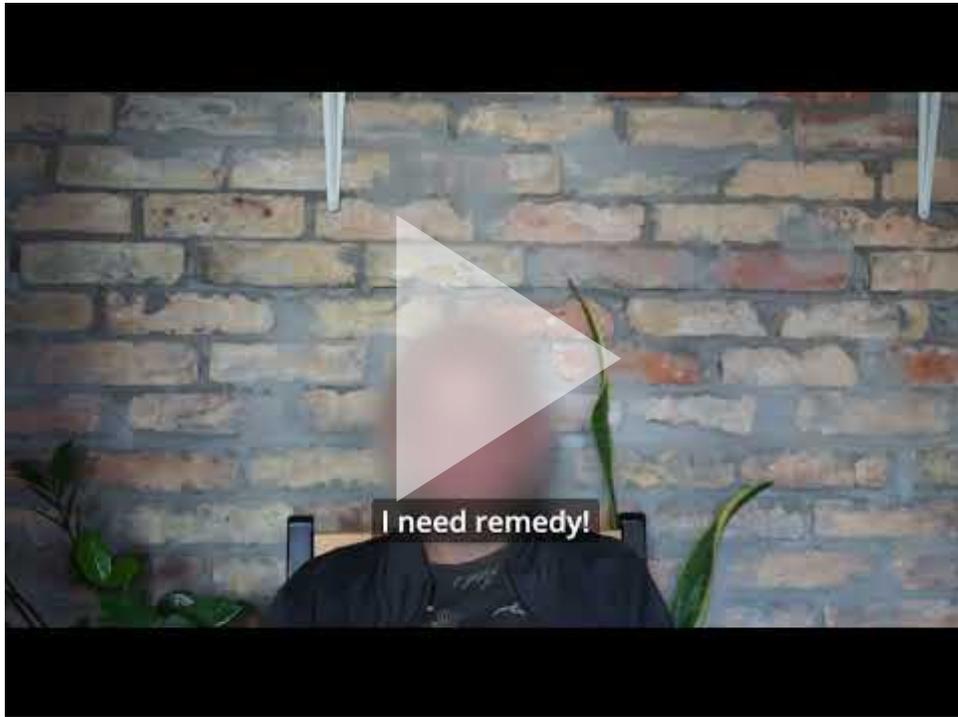
This sets us apart from corporate controlled social audits for public buyers, which often conclude with a meeting with the supplier to agree and sign off a corrective action plan. This rarely leads to substantial remediation for workers, because they have no voice in this process and it was not made transparent to stakeholders. We turn this around to include workers in all phases of remedy. Electronics Watch's **Worker-**

**Driven Monitoring Methodology** involves talking to workers outside their workplaces, but we don't just collect information and lead actions with industry leverage. We come back to workers at all phases of remedy to ask if they agree.



We focus on vulnerable groups such as migrant workers and women. In **Malaysia**, in almost all of the monitoring cases we followed, these groups told us that they lacked awareness or trust to raise their grievances through corporate controlled channels. Their legitimate representatives, the local unions, came to us with issues such as the confiscation of workers' passports. We then talked to workers near their hostels and asked what the remedy should be. They demanded recruitment fees they paid to be reimbursed immediately.

**Watch the video below to hear more workers talk about why they need remedy.**



Electronics workers seeking remedy: testimonies



In Taiwan, understanding that vulnerable groups lack voice and organisation, we supported our local partners to train them on remedy principles and freedom of association. In one case, migrant workers organised themselves and are currently negotiating a collective agreement. We informed our affiliated

public buyers so that they can highlight these cases when engaging brands and resellers.

Reports from Central and Eastern Europe identified violations of freedom of association along with severe health and safety violations, so remedy there focused on establishing joint committees to support local unions, and improving safety management based on workers' experiences.

Owing to challenges of direct communication with workers in Vietnam, our partners there launched the WeCheck app for remote monitoring of workplace conditions. Workers are now using it to raise grievances and pursue remedy.

And in India, when workers told us that they had not been paid the annual bonuses they were entitled to, we successfully engaged the brand to initiate delayed payments, securing the remedy that workers asked for.



Although such cases are relatively successful in building trust and helping workers to speak up directly for their rights, timely action is still lacking. Recruitment fees are finally being paid

back, but not promptly enough. Health and safety issues are sometimes addressed, but not proactively enough. Some trade unions are being recognised, but collective bargaining agreements have not been reached yet. Suppliers need to ensure trusted grievance mechanisms to enable effective remedy. Brands need to talk to trade unions on collaborative terms. There is a growing need to understand both the processes and outcome of remedy from workers' perspectives.

Our **Principles for Worker-Driven Remedy** set out a path to remedy for all stakeholders: we will continue to promote them, and to put affected workers at the heart of the remediation process.



## **Acting as one**

***2023 saw major developments in collaboration at Electronics Watch***

Throughout the course of the year, three affiliate working groups united around common challenges. Two of these aim to strengthen the transparency and accountability of individual brands within the context of effective due diligence, and the third strives to promote freedom of association within affiliate supply chains.

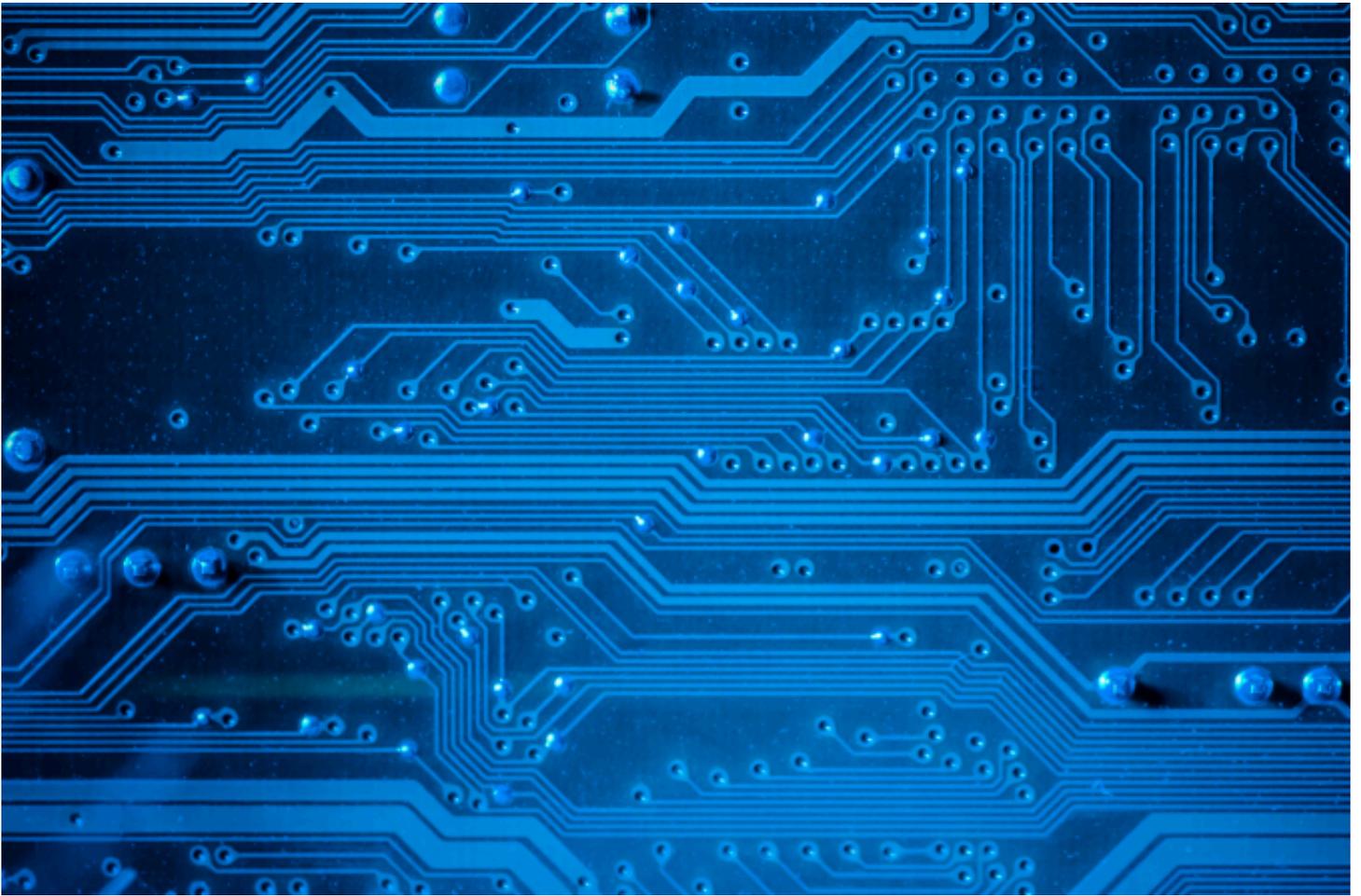
Together with our **monitoring partners**, we also established more regular and deliberate dialogue with trade unions in several countries, including Hungary, India, Indonesia, Malaysia, and the Philippines. This enables workers to report grievances to us via trade unions and creates channels to engage worker representatives in the remediation process. In a similar vein, authorities participating in the **Low Emission Vehicle Programme** agreed to focus their joint efforts on engaging bus OEMs in a dialogue on transparency. From the initial market engagement to subsequent bilateral discussions, the group exchanged with 15 companies over the course of the year.

Taken together, these initiatives lay the groundwork for more mature industry dialogue in 2024 and more coordinated and strategic activities in the service of workers' rights.



Improvements to supply chain transparency, an outcome of public buyers acting as one, were evident on both the demand and supply sides in 2023. For instance, the number of affiliates soliciting disclosures from their contractors increased 110% compared to 2022.

This uptick in demand correlated to a 212% year-over-year increase in the number of newly disclosed factories in affiliate supply chains. Transparency gains support Electronics Watch staff to make informed decisions about the selection of monitoring sites that maximise public procurement leverage. They also support affiliates to identify the salient human rights risks that could be linked to the specific products they procure, a key step in the [due diligence process](#).



That 88% of factories disclosed to affiliates in 2023 were at the component level points to growing market acceptance of traceability requirements imposed by customers. This was probably bolstered by related national legislative developments, like the LkSG in Germany that went into effect in January, and speculation about requirements in then-pending EU-level proposals.

Importantly, 73% of all factory disclosures to affiliates were provided by resellers, dispelling the myth that only those who procure directly from brands can map their supply chains.



In 2023, **Electronics Watch staff** enhanced cross-functional collaboration in-house as well.

For example, the standardisation of supply chain reporting through quarterly Monitoring Status Reports (MSRs) facilitated more regular and strategic exchange between colleagues coordinating monitoring and remediation and those supporting affiliated public buyers. In 2023, Electronics Watch produced MSRs for 20 sites linked to 129 affiliates.

MSRs provide actionable, worker-driven evidence that helps affiliates to assess compliance, mitigate risks, and promote access to remedy for rightsholders who have experienced harms in their supply chains.

Moreover, the sample language on how to engage contractors serves to harmonise demands on contractors across the affiliate network. Speaking with one voice is critical to promoting change in the market in general and to securing improved outcomes for workers on individual cases.



## Towards a paradigm shift

***From company-controlled due diligence to worker-driven due diligence, where workers' rights, needs and perspectives are paramount***

The objective of due diligence should not be to protect against reputational risk, but to protect workers from harm. The process of audits and corrective actions, controlled by corporate actors every step of the way, should be supplemented with a process where workers determine the remedy owed to them, supported by trade unions, worker representatives and human rights defenders. The outcomes of this process should not only be corrective action or compliance, but reparation based on workers' rights, reflecting their needs, expectations, and perspectives.

The good news is that the EU Corporate Sustainability Due Diligence Directive became law in 2024 and can be used to lend momentum to this paradigm shift. But even in 2023 Electronics

Watch took several key steps towards a worker-centered model for human rights due diligence.



In November, we presented our vision for this paradigm shift at the [UN Forum on Business and Human Rights](#). We co-organised a session on worker-driven remedy with the University of Greenwich and joined a panel featuring public buyers, worker advocates, trade unions and business representatives. At the Forum we released the [Principles for Worker-Driven Remedy](#), putting affected workers at the heart of the remediation process.

We promoted these Principles at a side session of the annual conference of the Responsible Business Alliance and at an OSCE forum on government action to tackle human trafficking in global supply chains.



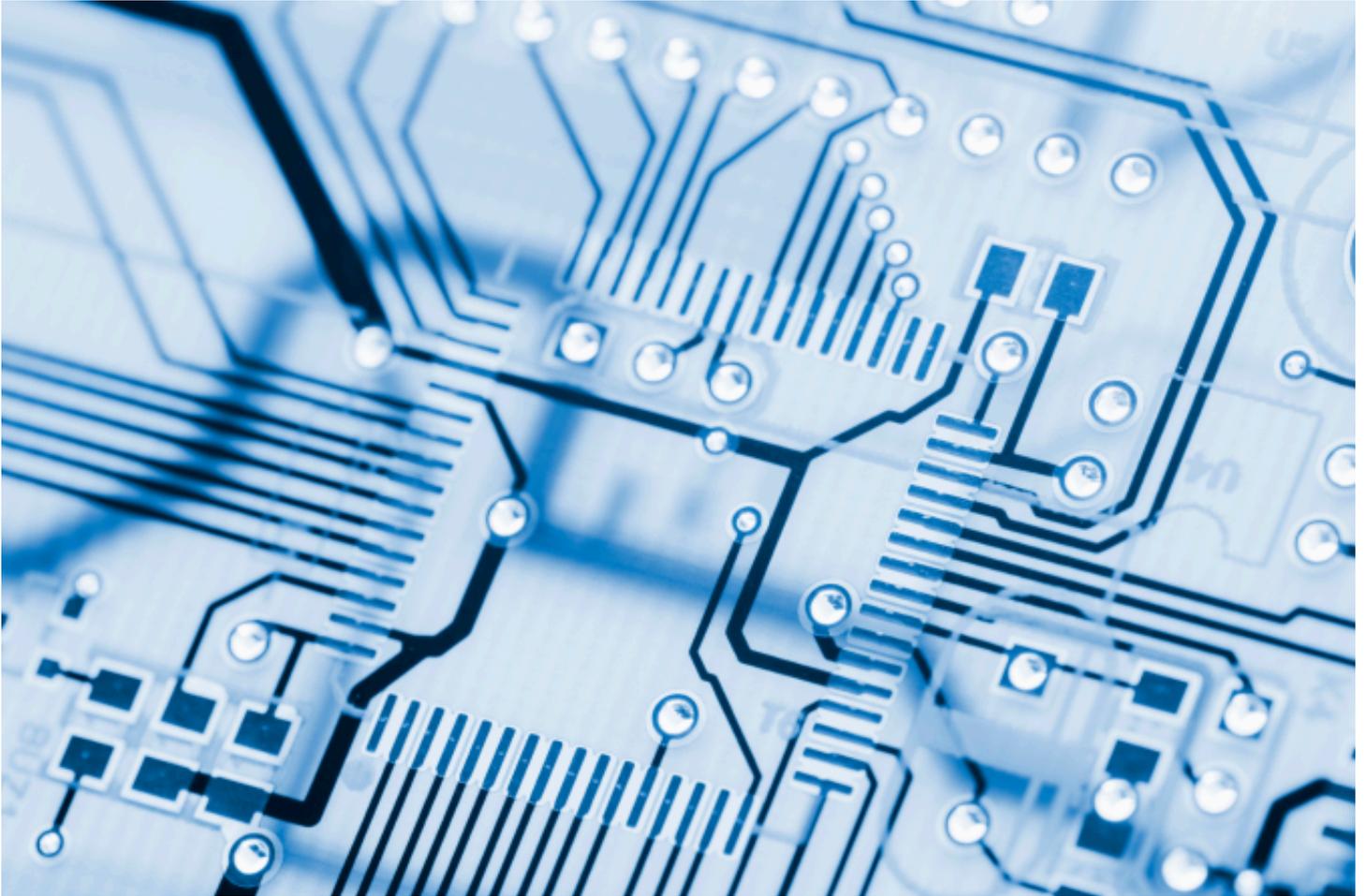
Electronics Watch worked consistently to put a worker-centered model for human rights due diligence into practice.

In collaboration with the Initiative for Global Solidarity (IGS) of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), we intensified our work to create accessible and effective grievance channels for the most vulnerable workers: migrant workers, temporary agency workers, young women exposed to toxic chemicals, and student workers. This work focused on the electronics industry in Malaysia, Vietnam, Taiwan and China.

In collaboration with the European Partnership for Responsible Minerals, we developed training programmes on human rights due diligence for trade unions and cooperative leaders in the mineral sectors in the [DRC](#) and [Bolivia](#).

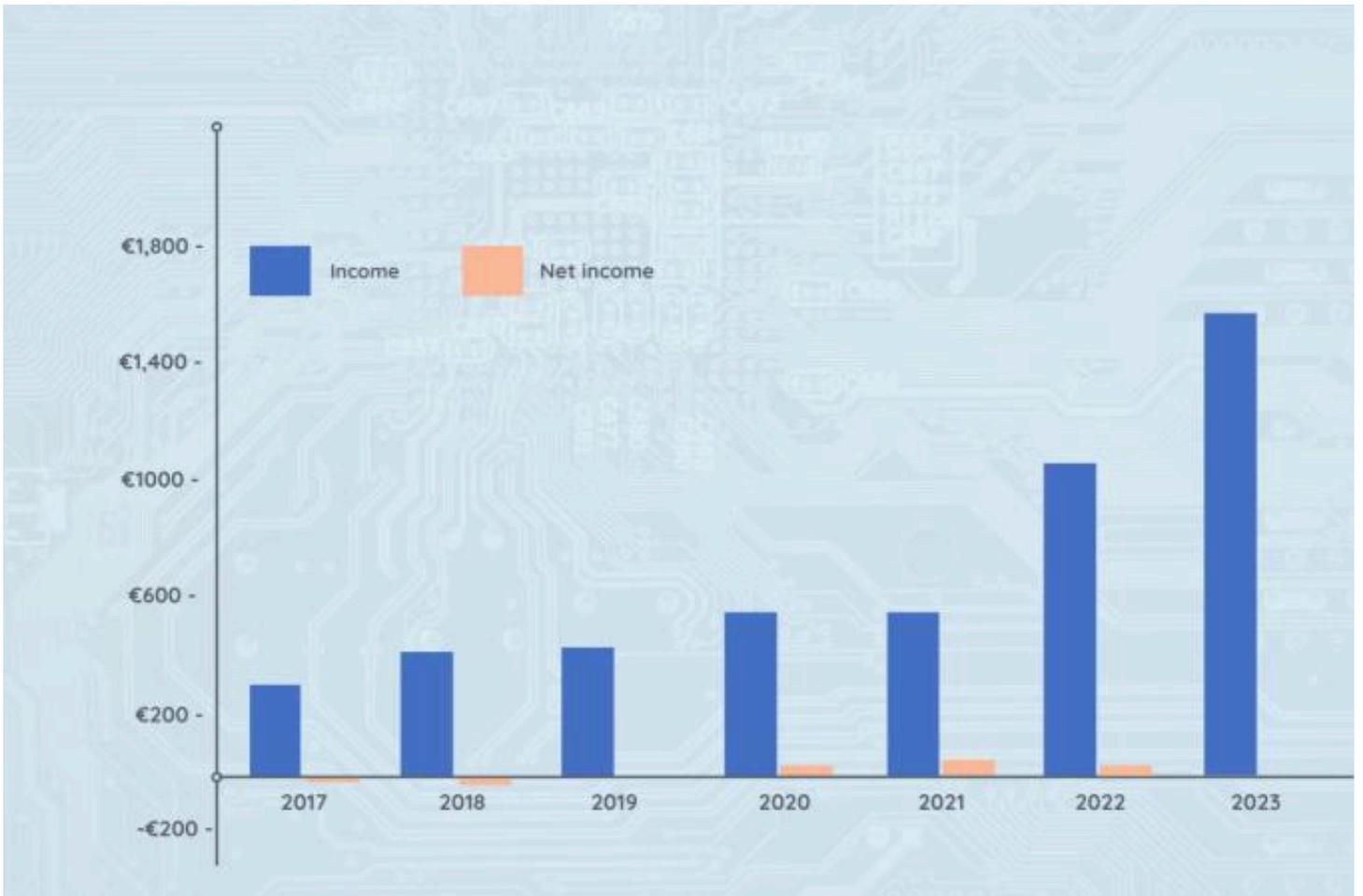
In collaboration with affiliates, we further developed tools and processes for supply chain transparency, the foundation for effective human rights due diligence. This process resulted in the number of assembly or component factories disclosed to our affiliates increasing from 150 to 358. Throughout all

engagement with companies to promote corrective action and remedy, we pushed for effective grievance channels and meaningful stakeholder consultations.



Following a series of consultations with key stakeholders, we developed a [strategic plan for 2024-2028](#) that calls on Electronics Watch to further accelerate this paradigm shift.

We will be testing a worker-centered human rights due diligence approach beyond electronics with public buyers across selected high-risk products in their supply chains. We will improve public buyers' understanding of human rights due diligence. We will support public buyers in demanding and using quality evidence for effective human rights due diligence in their supply chains. We will improve corporate accountability for failure to exercise effective and timely human rights due diligence in public procurement supply chains. And we will support workers and trade unions to demand effective human rights due diligence from supply chain actors.

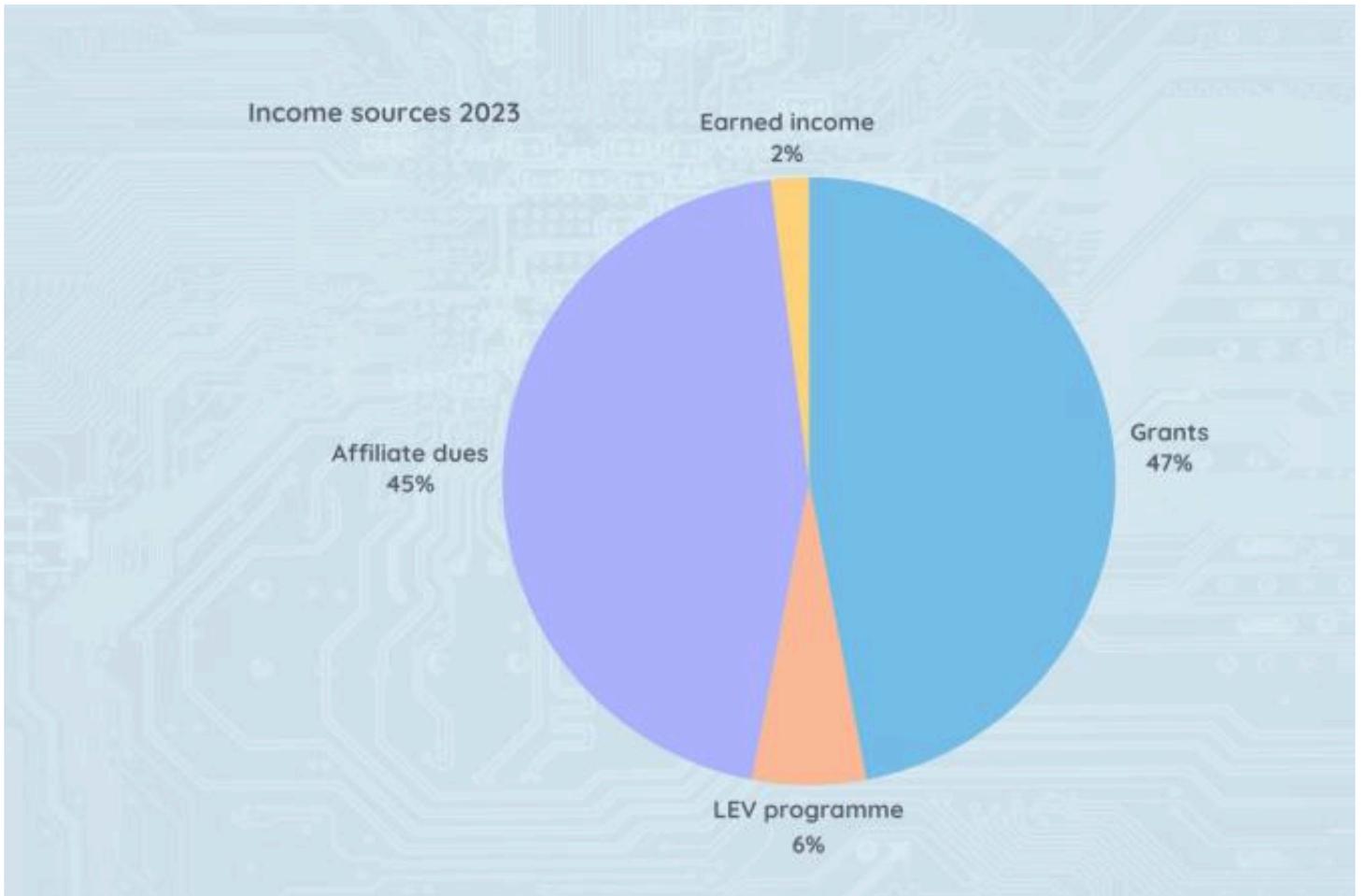


## Our finances

2023 has been a period of consolidation of the staff structure that we established in 2022.

Over the last two years, we have seen an increase of 48% in income and 54% in expenses. The large increase in income has been due both to grants we received, and the increase in dues from affiliates and LEVP participants.

This increase in activities has caused expenses to grow by almost the same amount.

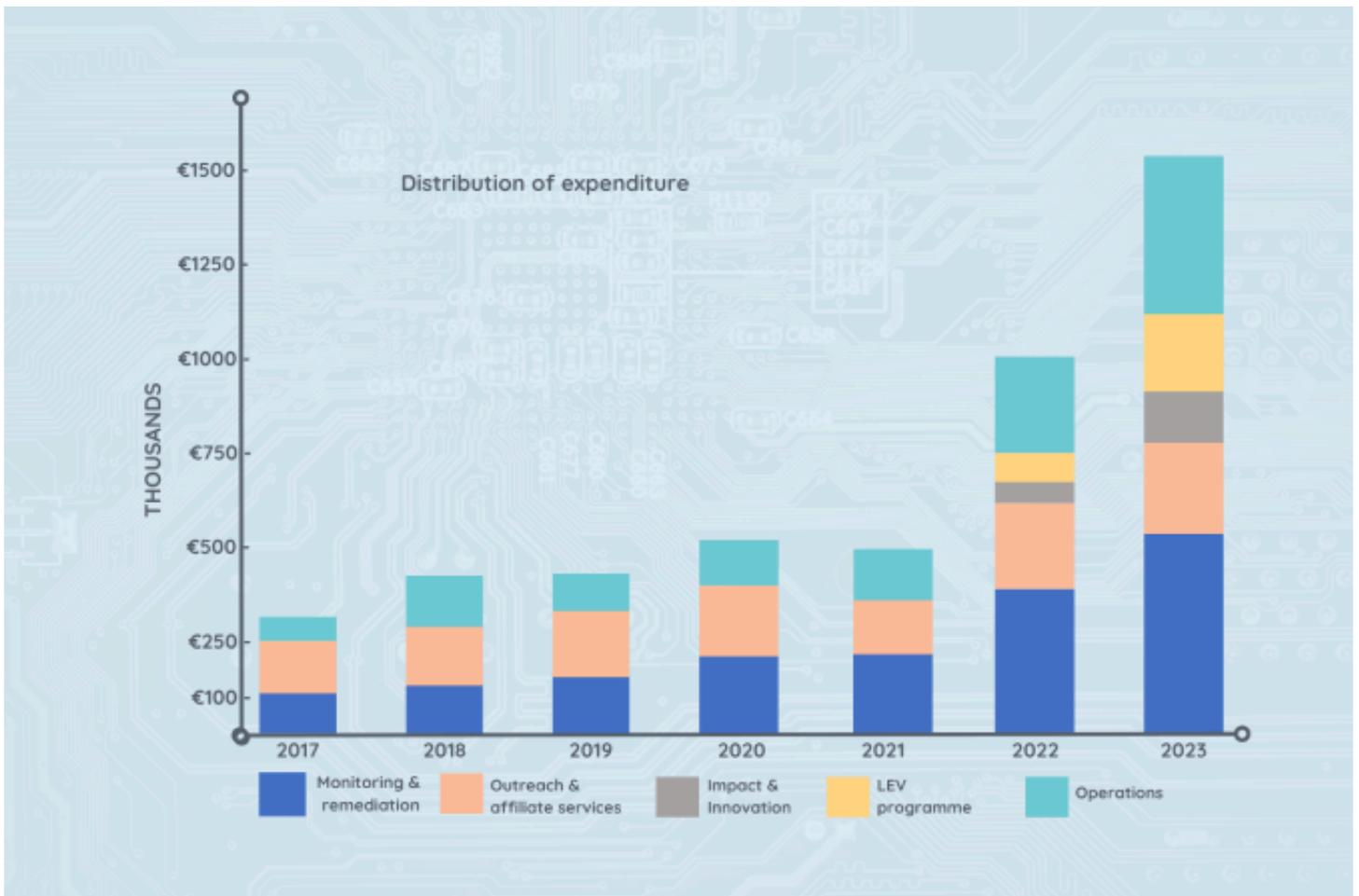


### Income sources 2023

Our income from both affiliate dues and grants has grown significantly.

However as a proportion of our income, affiliate dues have declined from 52% of our income in 2022 to 45% of our income in 2023.

We have seen the opposite in grants, which made up 36% of our income in 2022 and have risen to 47% in 2023.



## Distribution of expenditure

Monitoring activities continued to require the most resources. Our expenditure in this area constituted 35% of our overall spend, and has increased by 38% since 2022, thanks to the funds provided by grants for monitoring activities.

## Our board and staff

### The Board of Trustees

The Board of Trustees is responsible for fiduciary and programmatic guidance and oversight to ensure Electronics Watch achieves its mission and purpose and operates legally, ethically, and soundly. In 2023, the members of our Board of Trustees were:

#### Block 1 (affiliated public buyers)

- **Pauline Göthberg** – Swedish Regions, Sweden

- **Esty Marcu** - University of Sydney, Australia
- **Cristian Martin** – The London School of Economics and Political Science, UK
- **Michael McLaughlin** – Advanced Procurement for Universities & Colleges, UK - **Treasurer**
- **Kate Murray** – Edinburgh Napier University, UK

**Block 2 (experts in human rights, labour rights, trade union rights, environmental rights, occupational health & safety, and global supply chains)**

- **Gemma Freedman** – UNISON, UK – **Secretary**
- **Rutvica Andrijasevic** – University of Bristol\* , UK
- **Anibel Ferus-Comelo** – University of California\* , United States
- **David Foust** – Independent labour rights expert, Mexico
- **Amanda Hawes** - Expert on Electronics Industry Accountability for Workplace Toxics, United States

**Block 3 (representatives of free, independent and democratic trade unions as well as other types of independent civil society organisations that represent workers or advocate for workers' rights and are located in the regions of production of electronics or other categories of public expenditure)**

- **Sanjiv Pandita** – Asian Network for the Rights of Occupational and Environmental Victims (ANROEV) – **Chair**
- **Daisy Arago** – Center for Trade Union & Human Rights (CTUHR), Philippines
- **Rochelle Porras** – Ecumenical Institute for Labor Education and Research (EILER), Philippines
- **Shigeru Tanaka** – Pacific Asia Resource Centre (PARC), Japan
- **Joanna Unterschütz** – Polish Institute for Human Rights and Business (PIHRB), Poland

\* For identification purposes only

## **The staff team**



The Electronics Watch team

**In 2023, four new colleagues joined our team:**

- **Marisol Bernal** – Affiliate Engagement Manager
- **Harriet Edwards** – Communications and Events Manager
- **Simon Gray** – IT Manager
- **Anthony Silkoff** – Communications consultant (*until January 2024*)

**They joined existing colleagues:**

- **Cindy Berman** – Director of Impact and Innovation
- **Björn Claeson** – Executive Director
- **Omana George** – Manager of Monitoring and Civil Society Engagement
- **Martina Hooper** – Director of Communications
- **Aykut Kazanci** – Manager of Monitoring Capacity
- **Nuala Keyser** – Finance Support
- **Petra Krčmářová** – Programme Assistant
- **Olga Martin-Ortega** – Senior Advisor for Remediation in Global Supply Chains

- **Isabel Menéndez** – Director of Finance
- **Rocío Paniagua** – Low Emission Vehicle Programme Manager
- **Peter Pawlicki** – Director of Outreach and Education
- **Julie Petticrew** – Representative of Electronics Watch in Australia
- **Kate Sullivan** – Director of Affiliate Engagement
- **Martina Trusgnach** - Research Advisor on Remedy
- **Haëndila Varela** – Programme Assistant
- **Fabrice Warneck** – Director of Monitoring

## Our network

### Our affiliates, LEV participants and monitoring locations



Earthstar Geographics | Esri, TomTom, FAO, NOAA, USGS

Powered by Esri

Monash University

Griffith University

### Australia: affiliate location

Monash University

Griffith University

UNSW Sydney



**Austria: affiliate location**

ITG Graz



**Belgium: affiliate & LEV participant location**



**Bolivia: monitoring location**

Monitoring partner: Centro de Investigación y Servicio Popular (CISEP)



**China: monitoring location**

Monitoring partners:



**Democratic Republic of the Congo (DRC): monitoring location**

Monitoring partner: Southern Africa Resource Watch (SARW)



**Denmark: affiliate location**

City of Copenhagen



**France: affiliate location**

The Purchasing Directorate of the French State (DAE)



**Germany: affiliates & LEV participant location**



**Hungary: monitoring location**

Monitoring partner: Periféria Policy and Research Center



### India: monitoring location

Monitoring partner: Cividep India



### Indonesia: monitoring location

Monitoring partner: Inkrispena



### International affiliates



### Malaysia: monitoring location

Monitoring partners:



### Mexico: monitoring location

Monitoring partner: Centro de Reflexión y Acción Laboral (CEREAL)



### The Netherlands: affiliate location



### Norway: affiliate & LEV participant location

City of Oslo



### Philippines: monitoring location



### Poland: monitoring location

Monitoring partner: Polish Institute for Human Rights and Business (PIHRB)



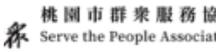
### Spain: affiliate & LEV participant location



### Sweden: affiliate location



### Switzerland: affiliate location



### Taiwan: monitoring location

Monitoring partner: Serve the People Association (SPA)



### Thailand: monitoring location

Monitoring partner: Migrant Workers Rights Network (MWRN)



### Vietnam: monitoring location

Monitoring partner: Center for Development and Integration (CDI)



### UK: affiliate & LEV participant location

Photo credits

<b>Cover image</b>	<a href="#">The workplace we want: engagement and empowerment</a> ©ILO/Nguyễn ViệtThanh, CC BY-NC-ND 3.0 IGO DEED
<b>Remedy in focus, image 1</b>	<a href="#">A worker tests electronic components at an electronics factory in Bac Ninh Province, Viet Nam</a> ©ILO, CC BY-NC-ND 3.0 IGO DEED
<b>Remedy in focus image 3</b>	<a href="#">Company [...] participating in the ILO and VCCI's Advisory Programme for the Electronics Sector in Viet Nam</a> ©ILO/Duong Tran Thuy, CC BY-NC-ND 2.0
<b>Remedy in focus image 4</b>	Supervisor overseeing quality check station, factory producing flexible electronic circuit boards, <a href="#">Image Source Limited / Alamy Stock Photo, Philippe Roy</a>
<b>Acting as one image 2</b>	Quality check station factory producing flexible electronic circuit boards, <a href="#">Image Source Limited / Alamy Stock Photo, Philippe Roy</a>
<b>Acting as one image 4</b>	<a href="#">Electronics industry in Vietnam</a> , ©ILO, CC BY-NC-ND 3.0 IGO DEED
<b>Towards a paradigm shift image 1</b>	Workers produce electronic components in Suqian, East China, <a href="#">Cynthia Lee / Alamy Stock Photo</a>
<b>Towards a paradigm shift image 2</b>	<a href="#">Palais des Nations Room XX</a> , ©UN Photo/Antoine Tardy, CC BY-NC-ND 2.0
<b>Towards a paradigm shift image 3</b>	Artisanal mine, DRC, @Electronics Watch

