

City of Copenhagen

Get to know our affiliate, the City of Copenhagen, and their approach to responsible procurement. They talk about following up labour clauses, national and international site visits, aspirations to support workers to organise and include trade unions in remedy, and more!

Affiliates since:
March 2022

Interviewees:
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CSR Consultants



Our procurement policy states that “Procurement must both solve concrete needs and demand for goods and services for the municipality’s institutions and at the same time contribute to the green transition and social responsibility at all levels and with a knock-on effect for the entire market and society.”

What are your organisation’s main goals within socially responsible public procurement?

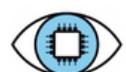
650,000 people live in the City of Copenhagen, we are 45,000 employees and we have a procurement spend of about €2.2 billion a year. Among Danish cities, it is the biggest by a large margin. Our overarching goal is to use the magnitude of our spend to promote sustainability within the market and inspire other public buyers to be just as ambitious.

Why did your organisation affiliate to Electronics Watch?

In 2021, the City Council decided to give greater priority to socially responsible public procurement of goods. It requested a proposal outlining the commitments and resources that would enable more strategic and effective Socially Responsible Procurement Practice (SRPP). In its investigation of good practices to include in the proposal, the team against social dumping consulted other Nordic public purchasing bodies. These public buyers pointed to Electronics Watch affiliation and the need for well-resourced, in-house capacity as essential to impact-oriented SRPP. The resulting proposal incorporated their guidance and, after review and approval by the City Council, resulted in a suite of new commitments. These included two full-time employees, affiliation to Electronics Watch, and a budget to support follow-up on the requirements in the City’s CSR clause.

How does the City of Copenhagen conceptualise sustainability?

Climate and the environment are important dimensions and have rightly gotten a lot of political attention. We’ve also been working on social issues for some time, to a larger degree than many other public institutions.





What is your role on the team, and how do you collaborate with other functions and departments?

Our department works with both social and environmental sustainability. Currently, three people work on our CSR clause with supply chains in procurement of goods, while six people work on environment and green transition in procurement. The labour and CSR clauses are annexed to all relevant contracts and our work starts after the contract is awarded, while most of our environmental requirements are included in the formulation of the tenders as minimum or award criteria.

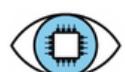
Both of us are CSR Consultants, which is like a sustainability consultant. We collaborate with the teams that design the tenders, the legal teams, and the contract managers, post-award. On the social side, most of our requirements are included in the contract clauses, rather than the tender criteria.

If, through the course of our follow-up, we find something of interest, we discuss it and coordinate action with the relevant contract manager.

When and how did your organisation begin its socially responsible procurement journey?

In 2013 the City Council adopted our first CSR annex outlining the sustainability requirements in our contracts. It included all the right demands (UN, ILO etc.), but there were no resources to follow up and no real possibilities of sanctions. While this did a good job of setting the direction of travel, we lacked the structure, processes, and staff to enforce the requirements.

In 2017, the City of Copenhagen established a taskforce against social dumping with five employees. Its objective was to address the enforcement gap. Since then, the social dumping unit has grown to 12 people and even has a mandate to support other suburban municipalities with follow-up on construction sites.



In 2014, in response to the heavy criticism of social dumping in the Metro construction, the City Council adopted our first labour clause and contracted an external auditing company to follow up with spot checks of timesheets and pay checks on compliance. The rationale was the arm's-length principle to the politicians and the managers in the building department. But, after some time, the City of Copenhagen discovered that these auditors weren't finding any issues of underpayment in the construction sector.

In 2017, following this realisation, the City Council decided to bring the follow-up work in-house and establish the internal task force on social dumping. The first benefit of this change was that it allowed us to develop and strengthen a risk-based methodology. The auditing company had mostly been using document review of pay checks, which found violations in less than 0.5% of cases. We complemented this traditional approach with qualitative evidence and on-site presence on our construction sites. Once we started physically visiting sites and speaking with workers, the number of violations identified increased to 60% of cases.

What are the main lessons that you have learned along the way?

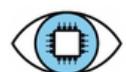
A major lesson from the in-housing experience of the social dumping follow up was that the CSR-clause follow up needed to be an in-house unit too. The learning from third-party social audit demonstrated that social audits weren't enough. It also helped us to realise that we needed a certain amount of knowledge in our department to know what to look for and how to assess the risks in our supply chain, to better know where to look, and to systematize and prioritise follow ups. Embedding follow-up into our internal procurement practice helped us to build in-house expertise on sector-specific risks and to facilitate dialogue with our contractors to better prevent and address noncompliance.

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That, in turn, improved our ownership over the outcomes and increased our capacity to respond effectively when issues arose.

Our follow-up practice keeps evolving as we learn. We did our first follow-up abroad in Spain in Almeria and Huelva to investigate compliance in our food value chains. We chose Spain because know that there are a lot of migrant workers in the fruit and vegetable sector there who are especially vulnerable to exploitation. We've scaled up follow-up in the food sector within Denmark. For example, this month, we are visiting our national sub-suppliers of vegetables and meat. These are semi-announced visits and fairly short, but they can still be useful.

Today, we have a better appreciation for the different kinds and sources of evidence needed to do our work. For example, we complement on-site visits with discussions with local trade unions, NGOs and community members. In Spain, we also spoke with the local labour inspectorate, who provided us with background information about risks to be aware of in the region that we were visiting. But sometimes access to workers isn't possible at all. In these cases, we try to get evidence from other sources.



For example, we are currently investigating a workwear sub-supplier in Myanmar. We requested the relevant social audit reports from our contractor and reached out to different stakeholders like Myanmar Centre for Responsible Business, a Danish trade union that supports Myanmar trade unions, and we have had online meetings with local trade unions to understand what is going on. Together, these sources gave us enough evidence to discuss next steps with our supplier and sub-supplier.

You can't sit and plan everything. You need to dive in and try to see what you can achieve and where the limitations are, be flexible based on the resources available, and adjust.

What are the main challenges that you face?

We have a large spend on frameworks managed by the national purchasing body, and their spend on ICT is significant as it covers most public ICT contracts. The national purchasing body's CSR requirements are quite like ours, but they don't have capacity to monitor or enforce compliance. We're allowed to do our own follow-up on call-offs to SKI framework agreements. It has taken us some time to find out how to do the follow-up on these contracts.

And we also identified opportunities to do joint follow-up with common suppliers, regardless of whether our spend with those suppliers is via the national purchasing body framework or parallel agreements. This collaboration promotes mutual learning and exchange.

With regards to doing follow-up outside of Denmark, the main challenge is cost. It isn't feasible for us to investigate most of our overseas suppliers.

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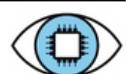
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To overcome this, we collaborate with other organisations to give us visibility into what's happening abroad. Besides Electronics Watch, we work with Banana Link, who has organised several visits to banana plantations in Ecuador that supply our contractors.

How does being an Electronics Watch affiliate support your organisation to achieve its goals?

Electronics Watch affiliation helps us monitor and address labour rights issues in a very high-risk sector where we have a lot of spend. It provides access to evidence from people and organisations on the ground in countries where we couldn't afford to do follow-up ourselves.

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What are the next steps on your socially responsible public procurement journey, and how would you like Electronics Watch to support you?

We believe that the City of Copenhagen has already come a long way, but there is potential to further expand the scale of our sustainable procurement work within our global supply chains. We need to systematize our work more and consolidate our relations with the different procurement teams across different departments. We are working to develop follow-ups on the environmental demands that we have in our contracts. We are currently updating our CSR clause, which will be presented to the City Council by the end of the year.

Our role as co-facilitator (together with UNISON) of the Electronics Watch Freedom of Association working group offers a very targeted avenue for demonstrating leadership. The working group is paving the way for more strategic engagement in the future by identifying and testing concrete ways that affiliates can support workers to organise and include trade unions in the remediation of rights abuses.

There's pretty wide acceptance of the need for and importance of environmental sustainability within public procurement. We want to find ways to highlight the impact of our work on the social side and the effectiveness of a risk-based approach. Doing so will build buy-in among decision makers for continued investments in our work.

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