

# Electronics Watch

*for Public Buyers*

**June 16, 2015**

Presenters:

- **Jim Cranshaw**, People & Planet, UK Electronics Watch affiliates contact
- **Andy Davies**, Director, London Universities Purchasing Consortium
- **So Sheung**, Senior Trainer, Labor Education and Service Network, Hong Kong
- **Alice Tichborne**, UK Lawyer, Electronics Watch



Improving  
working conditions  
in the global  
electronics industry

# Overview

## Agenda

How to Participate in the Webinar

**Part I**—Overview of Electronics Watch

**Part II**—Engaging Workers: A Step Ahead for Responsible Sourcing

**Part III**—Socially Responsible Public Procurement with Electronics Watch

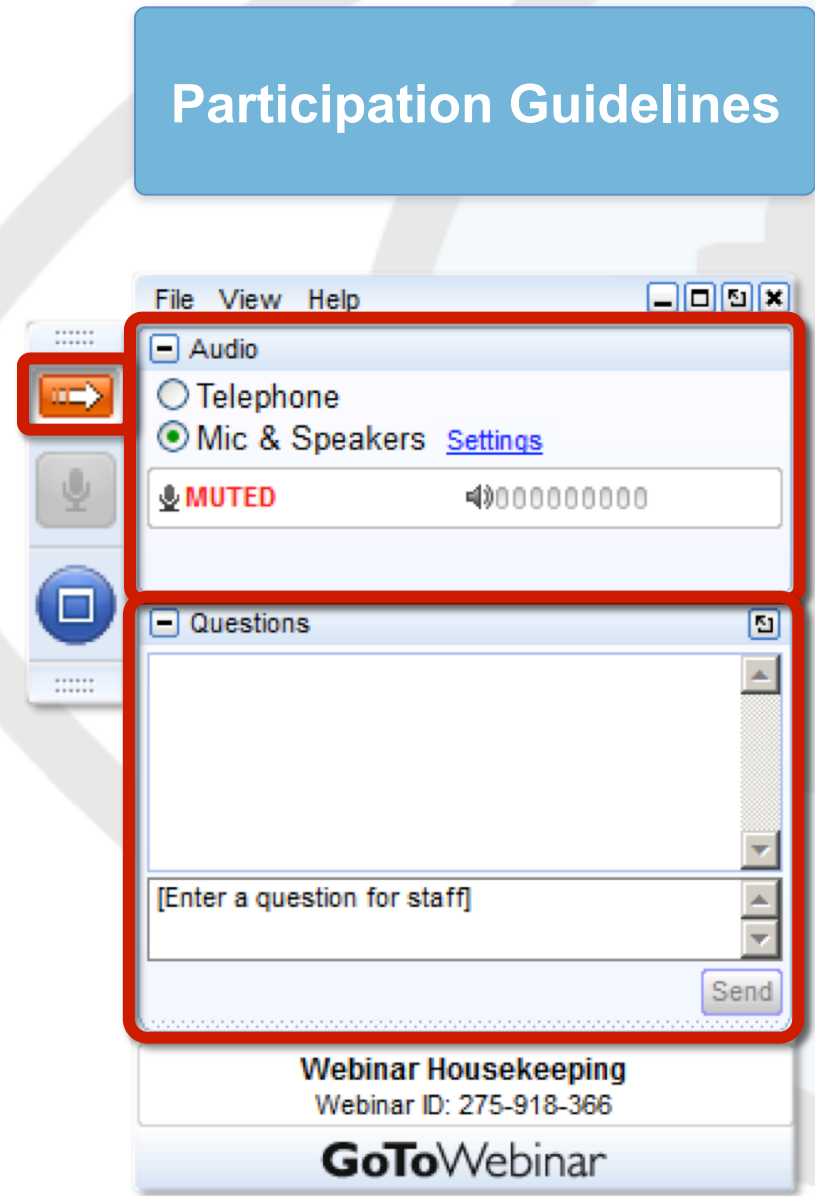
**Part IV**—Principles of the Electronics Watch Procurement Model

Questions and Answers

Closing

# Participation

- Attendees are automatically muted. Type questions any time into the questions pane, indicating which panelist they are for.
- If your questions are not answered during the webinar, we will follow up via email.
- The presentation is being recorded. The recording & slides will be available on the EW website.



# The Electronics Watch Model

Part I

## **Part II—Overview of Electronics Watch**

**Jim Cranshaw**, People & Planet  
--UK Electronics Watch affiliates contact



# What is Electronics Watch?

A supply chain monitor for  
the public sector

A **consortium of public sector buyers**, who combine strength to **monitor** and **remedy violations** in ICT supply chains effectively and cost-efficiently.

- Founders: 7 NGOs with seed-funding from European Commission
- Board of Trustees represents **three blocks**: 1) public buyers; 2) experts in labour rights & monitoring; 3) workers' organisations in producer regions
- Advisory Group: 75 organisations worldwide.
- 8 Founding Members with €1.3 billion euros ICT procurement over next four years



# Why Electronics Watch?

Big business, big risks, big opportunities

## Opportunities

Public buyers: large  
institutional purchasers

+

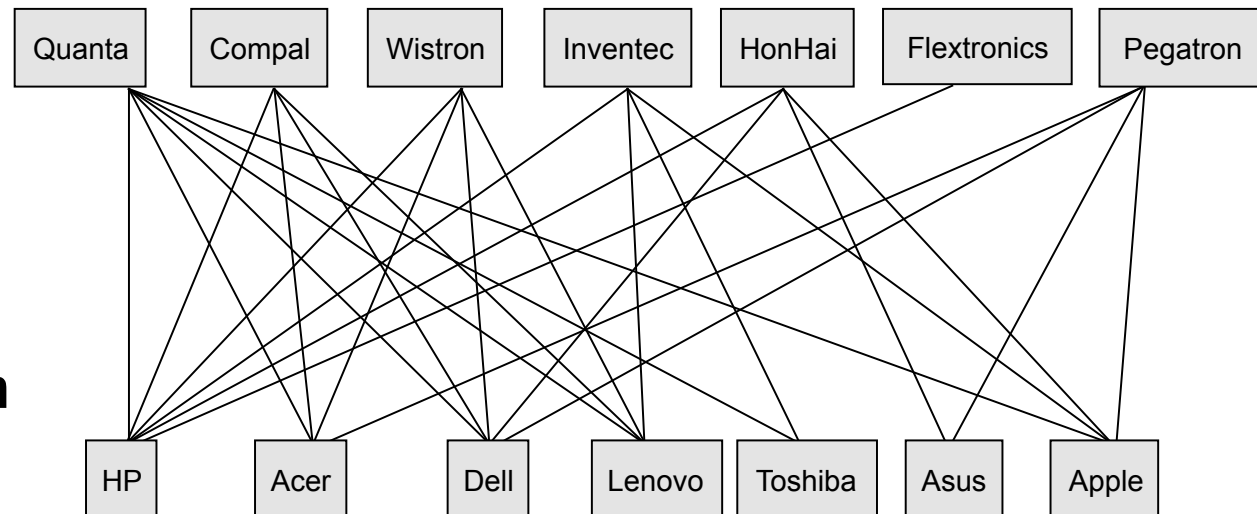
Long-term contracts

+

Overlapping &  
concentrated supply  
chains

=

**Influence human  
rights in supply chain**





# Why Electronics Watch?

A supply chain monitor for  
the public sector

## The gaps in SRPP practice:

(Read LANDMARK reports for best practice.)

- Lack of verification
- Lack of collaboration

# The Electronics Watch Model

## Part II

### **Part II—Engaging Workers: A Step Ahead for Responsible Sourcing**

**So Sheung**, Labor Education and Service Network  
--Senior Trainer

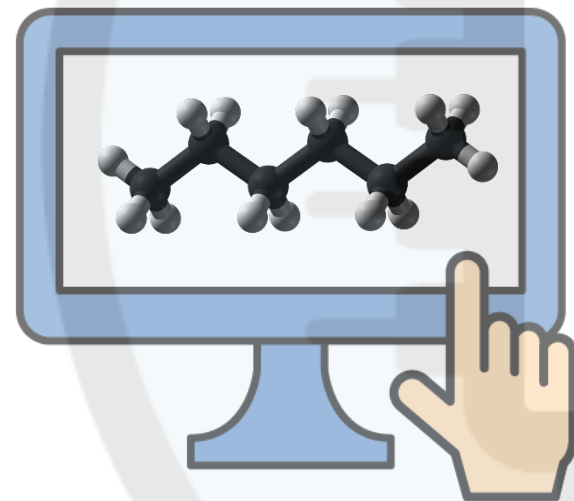
# Why Engaging Workers?

- Who suffers if the employer violates labour right and safety rules?
- Who knows best if a factory is hiding toxic chemicals from inspectors? Who knows best if working hour records and pay slips are faked?
- The answer is straight forward but many times substituted by worker interviews in audits.

Let me start with a pressing fact or two to illustrate.

# What's Behind the Shiny Screens?

- The industry widely uses n-Hexane, a solvent to wipe the glasses clean during production.
- The choice of chemicals, added by poor ventilation, lengthy working hours and lack of preventive measures together cause n-hexane poisoning.
- The disease may cause permanent damage to muscles and peripheral nerves.



# The Story of G and S

- Worker G and S were recruited to an OGS touch panel factory in May 2013, and they were only 15.
- September 2013, they started to feel weakness in their limbs, and found it difficult to walk or work. Several other workers also had the same symptoms.
- The factory did not initiate OHS examinations and the workers had to file complains for treatment and compensation. Eventually, 11 workers were hospitalized in early 2014.



# The Story of G and S

- G and S are diagnosed of moderate hexane poisoning and hospitalized for 8 months.
- They are denied of rehabilitation treatment because under-aged workers are not covered by social insurances. Thus they are now in legal procedures against the factory while other adult workers are admitted to rehabilitation facilities.
- Worker S recalled that she had seen factory audit once. And was interviewed about the quality of canteen food, ironically.

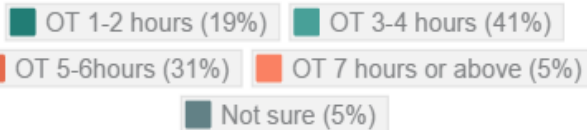
# More About the Iceberg

- Preliminary findings of a research in Pearl River Delta 2015: out of 127 occupational disease victims surveyed, 59 are from electronic industry (46.5%).
- Some of them know the brands their employer supply to, most of them do not (59.4%).

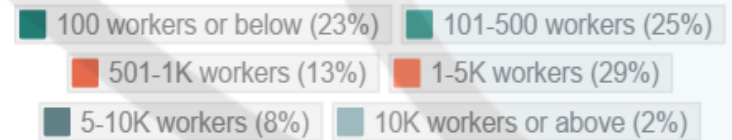
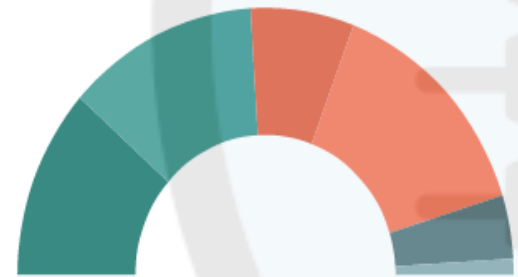
# Amongst the 59 workers



Working Hours



Factory Sizes



## • Trainings and Preventive Measures •



Less than 10% reported knowing the OSH policy or received chemical usage trainings

Only 14% reported the presence of material safety data (MSDS) sheet at the chemical using position



Yes (14%) No (66%) Not Sure (20%)

## Remediation and Support



Yes (2%) No (88%) Don't know (29%)

Factory Complaint Mechanism



Yes (59%) No (37%) Don't know (3%)

NGO support

# Solutions

- **Industry audits** are important tools for companies to keep track of their supply chain. But it is by nature a management-to-management communication. Workers are usually unaware and most of their voices concealed.
- The goal of Electronic Watch is **an organized consortium of public buyers**, which is responsive and accountable to citizens, and can make legally enforceable demands.
- On the ground, the EW programs do not depend on industry audits but seek to include educational and direct services to workers through a community of civil society groups. Thus enforcing **an ongoing worker to consumer dialogue for change**.

# The Electronics Watch Model

## Part III

### **Part III—Socially Responsible Public Procurement through Electronics Watch**

**Andy Davies**, London Universities Purchasing  
Consortium  
--Director





PURCHASING  
CONSORTIUM







# Socially Responsible Public Procurement through Electronics Watch

Andy Davies  
Director, LUPC



A not-for-profit professional buying organisation  
owned by its Members, for its Members



Site Search...

SEARCH

## Welcome to London Universities Purchasing Consortium

London Universities Purchasing Consortium (LUPC) is a not-for-profit professional buying organisation, owned by its Members, for its Members.

LUPC exists to generate savings and better value for our Members through the collaborative procurement of goods and services.

➤ Read More

➤ Our Agreements and Suppliers



Home



About Us



Members' Area



Suppliers' Area



Resources



Collaboration



News & Events



Contact



Introducing  
Gallen

GRESHAM  
Working with you

Join Us  
Click to find out how.

### Our Agreements

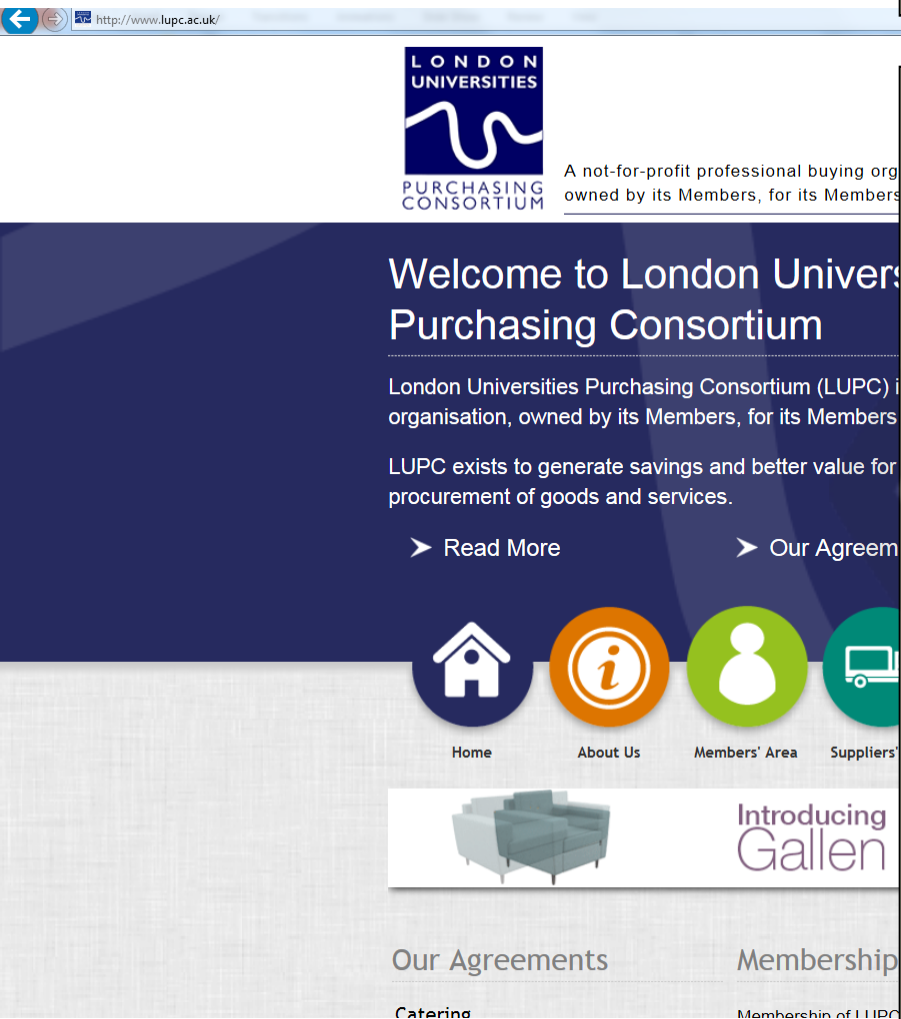
Catering

### Membership of LUPC

Membership of LUPC is open to universities and colleges in and around the

BOOK

# What is LUPC?



- A not-for-profit company, limited by guarantee
- One of six university purchasing consortia in UK
- Owned by its Members, for its Members
- Collaborative Framework Agreements in IT hardware, legal services, travel, security and cleaning, temporary staff, insurance and more

# LUPC: the numbers

- 68 full LUPC Members
  - 31 are universities
  - others are in science, culture, health and the arts in London
- 32 Further Education Colleges
- £186m of spend by LUPC Members in 2013/14
- £30.5m of savings
- Members received an average return on investment of 96:1
- Over 100 supply agreements

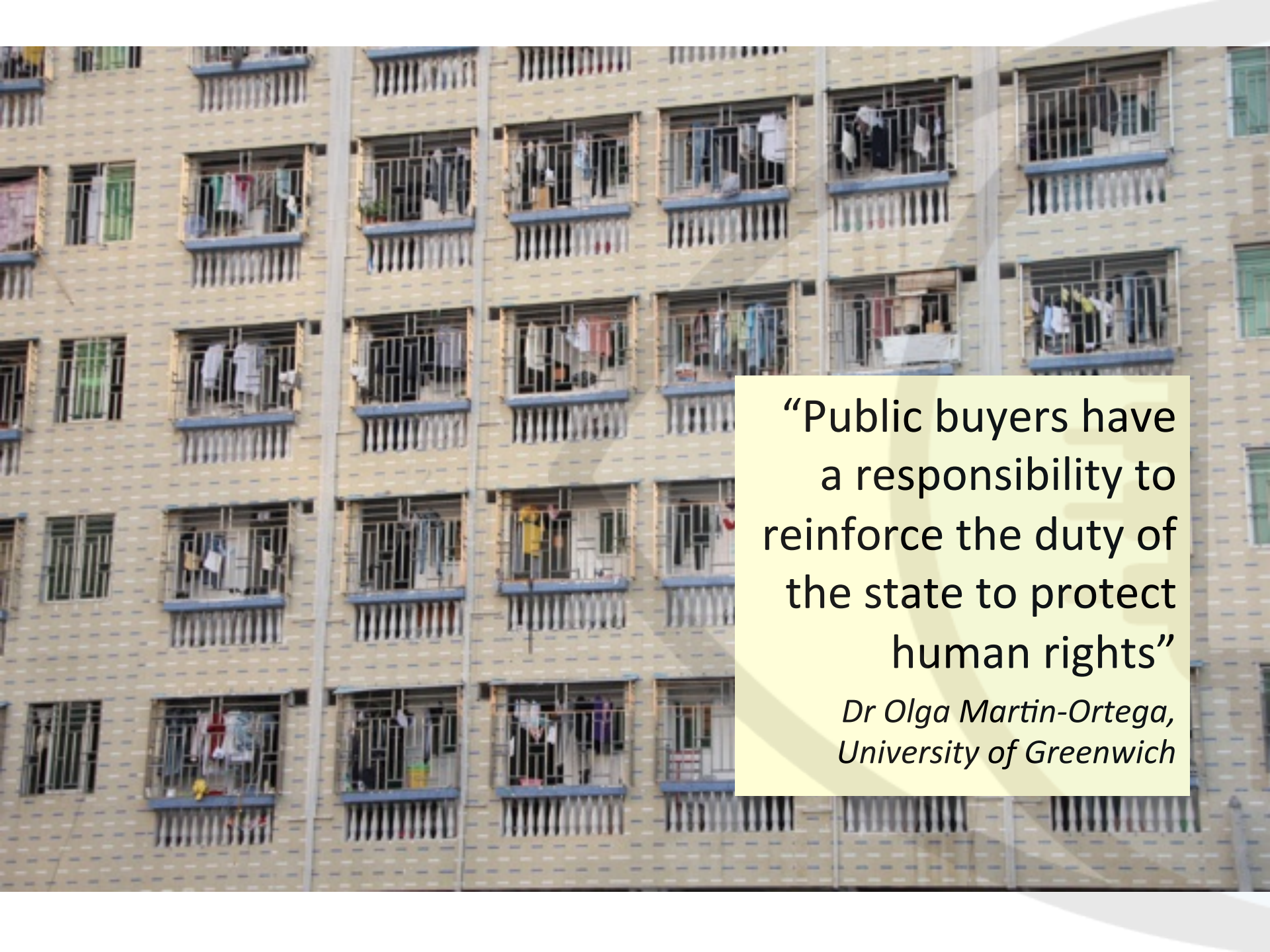




# Each year, UK Higher Education buys...



- £800m of IT supplies and services, including...
- £100m of desktop and notebook PCs through our national supply agreement led by LUPC
- £100m of devices using the Apple operating system through our national supply agreement led by Cardiff University



“Public buyers have  
a responsibility to  
reinforce the duty of  
the state to protect  
human rights”

*Dr Olga Martin-Ortega,  
University of Greenwich*



- UK universities and their students want quality higher education without harming others
- LUPC shares the values of its Members
- Our CSR is good for business

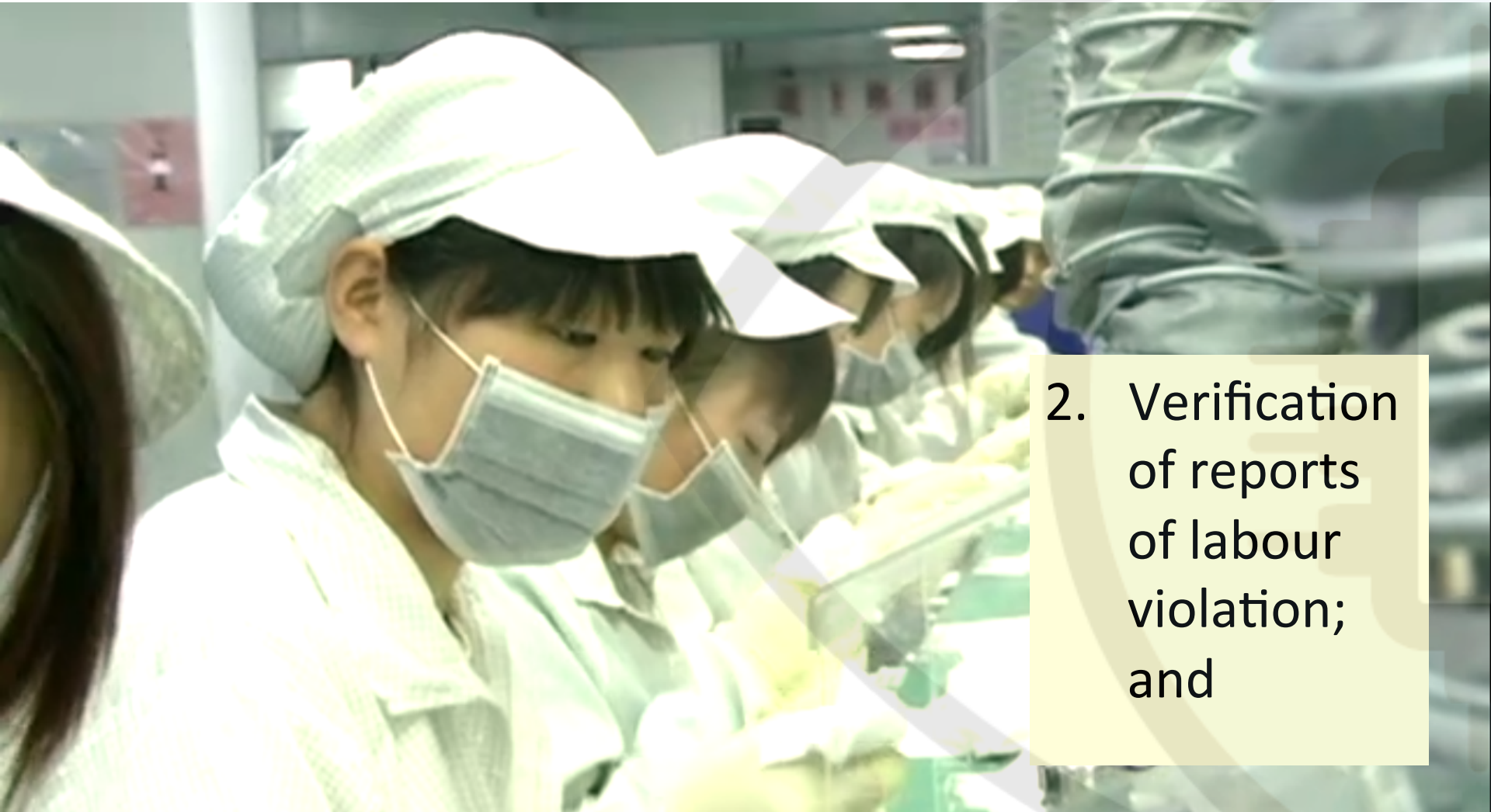




LUPC had three major needs:

1. Help with developing contract clauses to establish an effective monitoring regime;





2. Verification of reports of labour violation; and

3. Collaboration with other agencies to create leverage for change.





- Electronics Watch will deliver all three for us





- EW clauses will feature in our UK national HE tender, led by LUPC, for the supply of c. £400m of desktop and notebook PCs, due for renewal in 2017...

...and in our UK supply agreement, led by Cardiff University, to supply UK universities, staff and students with devices using the Apple operating system, out to tender this summer





# The Electronics Watch Model

## Part IV

### **Part IV—Principles of the Electronics Watch Procurement Model**

**Alice Tichborne**, Electronics Watch  
--UK lawyer



The diagram illustrates the contract lifecycle, divided into two main phases by a vertical dashed line. The left phase, 'Contract Award', includes 'Selection Criteria' and 'Award Criteria' in blue boxes, which are part of a larger light green rectangular block. The right phase, 'Contract Performance', includes 'Contract Performance Conditions' in a green box, which is part of a larger light green arrow-shaped block pointing right. A 'Key tool' label is positioned above the arrow. At the bottom, two blue boxes represent the overall stages: 'Contract Award' on the left and 'Contract Performance' on the right. The background features a faint gear and circuit-like patterns.

Selection  
Criteria

Award Criteria

**Key tool**

Contract  
Performance  
Conditions

**Contract Award**

**Contract Performance**



**Optional tools**

**Key tool**

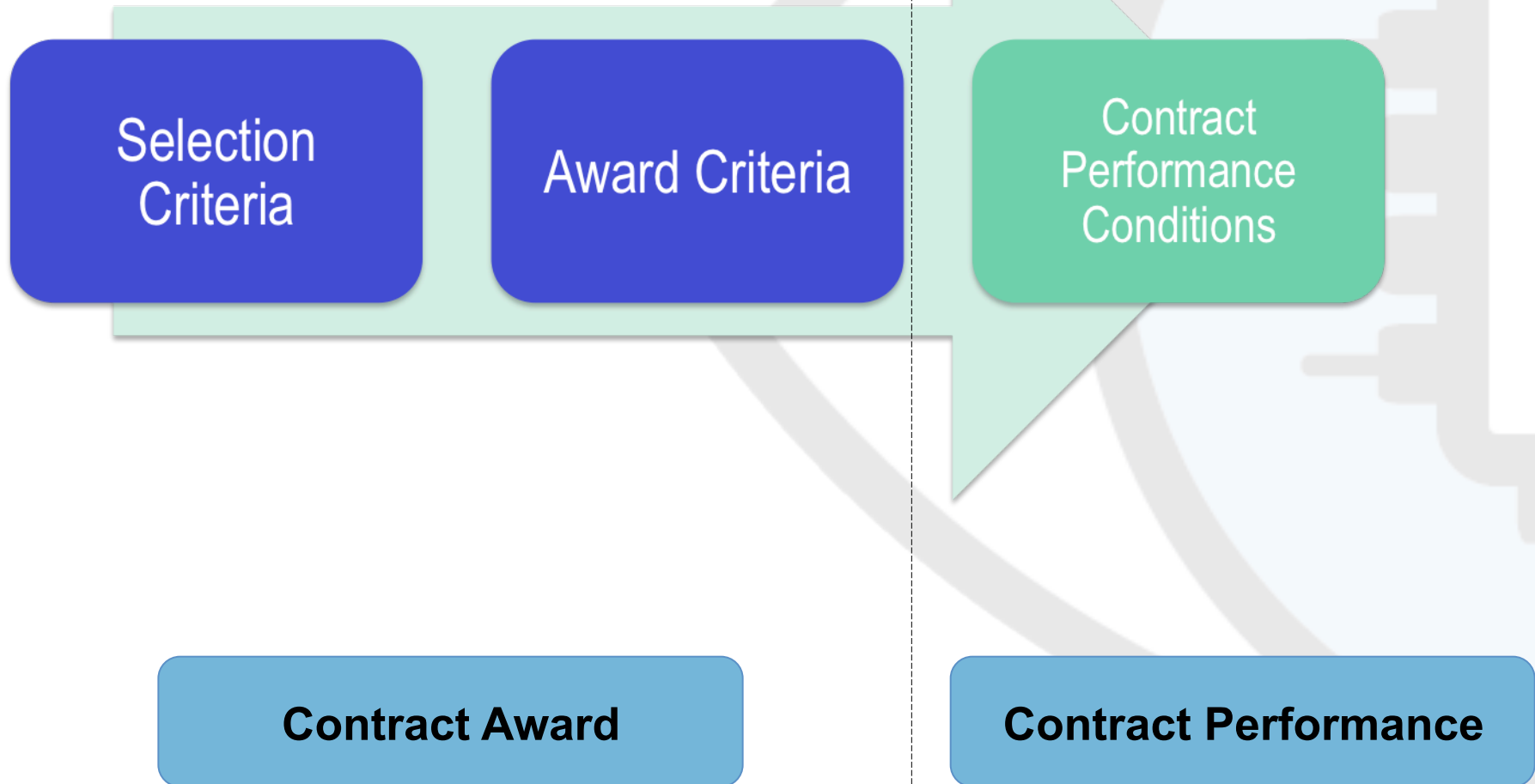
Selection  
Criteria

Award Criteria

Contract  
Performance  
Conditions

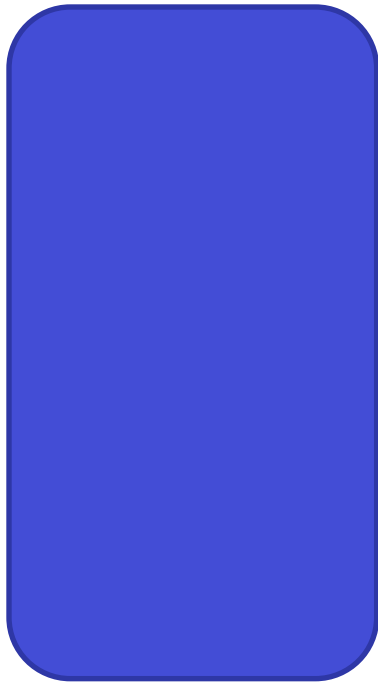
**Contract Award**

**Contract Performance**

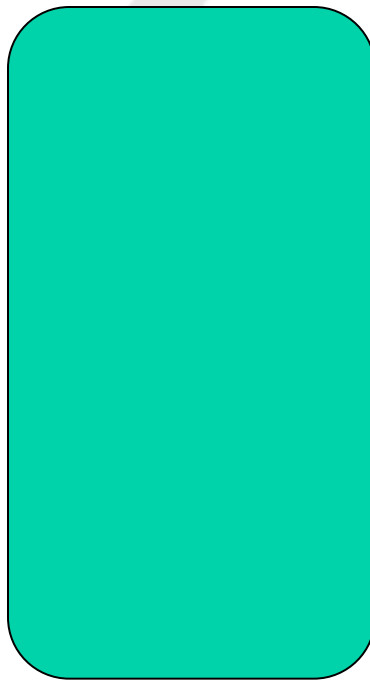


# Elements of the Contract Terms

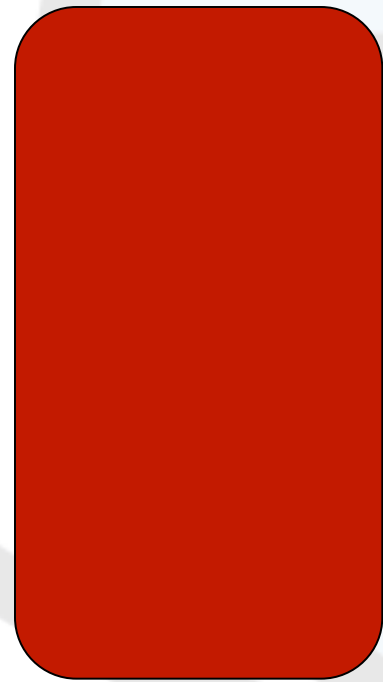
**Due Diligence**



**Verification**



**Engagement/Enforcement**



# Elements of the Contract Terms

## **Due Diligence**

Labour standards  
in EW Code

Necessary steps  
and leverage

## **Verification**

## **Engagement/ Enforcement**

# Elements of the Contract Terms

**Due Diligence**

**Verification**

Reporting on  
due diligence

Disclosure of  
factories

**Engagement/  
Enforcement**

---

Electronics Watch  
independent monitoring

# Elements of the Contract Terms

**Due Diligence**

**Verification**

**Engagement/  
Enforcement**

Escalation  
procedure

Sanctions

---

Electronics Watch engagement and negotiation on behalf of affiliate (or multiple affiliates)

# Questions?



- Type your questions into the Questions Pane
- Feel free to direct your question to someone on the panel: Jim, Sheung, Andy, or Alice



Improving  
working conditions  
in the global  
electronics industry

# Thank you



## Invitation to Learn More

- Affiliate with Electronics Watch?
- Join the informal advisory group?
- A presentation tailored for your team?
- Questions?

[electronicswatch.org](http://electronicswatch.org)

[bclaeson@electronicswatch.org](mailto:bclaeson@electronicswatch.org)



Improving  
working conditions  
in the global  
electronics industry