



INTERNATIONAL WORKING GROUP ON ETHICS IN PUBLIC PROCUREMENT FOR IT

Final Report submitted to the Belgian Federal Institute for Sustainable Development (FISD) by ICLEI European Secretariat

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Introduction

The International Working Group on Ethics in Public Procurement for IT brought together leading public buyers of IT as a means for exchange, stock taking, discussion and identification of actions towards a next-generation ethical procurement of IT.

Key objectives included to

- Bring together frontrunners (policy-makers and procurers) regularly,
- Gather the latest insights on practices and challenges from public authorities as preparatory research that could enable learning, development of new criteria or engagement with market actors,
- Identify concrete actions to be taken for ethical procurement practice,
- Enable exchange between procurement and policy perspective,
- Connect key outputs to other relevant European and international work.

At its core, the group consisted of the following 18 committed members from Belgium, Norway, Spain, Sweden, UK, Denmark, Italy, Finland, Austria, the Netherlands and Switzerland:

- Federal Institute for Sustainable Development, Belgium
- Agency for Public and Financial Management (DFØ), Norway
- Barcelona City Council, Spain
- Catalan Government, Spain
- City of Malmö, Sweden
- Greater London Authority, UK
- Region Stockholm, Sweden
- SKI, Denmark
- CONSIP, Italy
- City of Helsinki, Finland
- City of Oslo, Norway
- Ruter, Norway
- Aktionsplan nachhaltige Beschaffung, Austria
- City of Ghent, District09, Belgium
- City of Copenhagen, Denmark
- Sykehusinnkjøp (South East Norway Health Region), Sweden
- IUC-Noord - Dienst Uitvoering Onderwijs Ministerie van Onderwijs, Netherlands
- Swiss State Secretariat for Economic Affairs, Switzerland

They were recruited by a Secretariat based on clear criteria at the start of the work programme, with emphasis on frontrunners from different levels of government. In close collaboration with FISD, an ICLEI Team coordinated and shaped the Secretariat's work.

About ICLEI - Local Governments for Sustainability

ICLEI is a global network of more than 2500 local and regional governments committed to sustainable urban development. Active in 125+ countries, they influence sustainability policy and drive local action for low emission, nature-based, equitable, resilient and circular development. Their Members and team of experts work together through peer exchange, partnerships and capacity building to create systemic change for urban sustainability. With over 30 years of experience, as part of its core work, ICLEI successfully runs working groups at local, national, European and international levels.

Creating the working group and identifying priorities

The Secretariat invited public buyers across Europe to join the group. To understand their expectations, expertise and ambitions in more detail, a needs and status assessment process was carried out at the beginning of the project. The questionnaire asked participants to provide information on their current practice, to indicate their interest to exchange on subtopics within ethical IT and to specify unmet needs. Based on the results, the Secretariat put together a summarizing report and a workplan for the year. The assessment clearly showed that the level of experience within the group varies but the commitment is generally high.

Both the results of the assessment as well as an interactive voting exercise during the kick-off meeting showed the group's main interest in the topics of labels, joint market dialogues, the follow-up process and exchanging and learning from good practice examples. The secretariat aligned the workplan and its planned actions with the participants' interests.

As a result, the core work of the group was built around four workshops (see below):

1. Exploring the use and credibility of labels
2. Prioritizing issues to jointly push the industry further
3. Discussing the follow-up process
4. Capturing good practice

The Secretariat organized and moderated the workshops in an interactive online format. Beyond the workshops, the group had the opportunity to exchange information via a Slack channel which was set up and maintained by the secretariat.

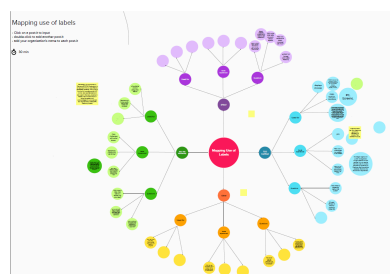
Summary of workshops and activities

Workshop #1 Exploring the use and credibility of labels

13 April 2021, 14:30-16:00 CET

Objective & Scope

The first workshop aimed to facilitate a discussion around the use and credibility of labels and memberships to map current practice across Europe. Using a virtual whiteboard, the group mapped their experience of working with labels such as EPEAT or TCO Certified, RBA/RMI Membership, Fairphones and EcoVadis). The brainstorming on the dashboard was followed by open discussion in breakout rooms around issues and gaps related to labels. The group also listed a series of recommendations for procurement practitioners when using labels.



Picture 1: Collaborative mapping exercise: Capturing the experience of working with labels

Key outputs

Generally, labels are seen as a valuable instrument for procurers, because it requires little resources from the procurers' side, yet they cover a plethora of sustainability issues. Across the group, the label most used is TCO

Certified. Reference was made by participants to certifications and memberships such as RBA/RMI and EcoVadis. And procurers explored ideas and questions around purchasing Fairphones.

Regarding EPEAT, there was a general lack of knowledge of what is covered by this label and how it works, especially with regard to social criteria, which is why a separate meeting was organized by the Secretariat (see below).

Regarding TCO Certified, the group pointed out that although its generation 8 represents the most complete third party certification scheme available, (at the time of the workshop) there are no TCO Certified smartphones on the market and only a few headphones are covered by this label. Some members mentioned a certain resistance by resellers in the national market to provide TCO Certified products (for instance, certain brands offer cheaper TCO Certified products than others holding the same certification). Other experiences showed that TCO Certified products can be cheaper than standard products (e.g. in the case of Chromebooks). As a recommendation, the group suggested talking to the market in early procurement

stages to learn about the suppliers' offer and also to exchange directly with TCO Certified to learn about new developments around different product categories (e.g. smartphones).

The transposition of the EU Directives on Public Procurement in some Member States is sometimes unclear when it comes to the use of labels, especially with regard to the issue of equivalence. Clarifications on the national law would be useful, perhaps with concrete examples of clauses.

An interesting tool comes from the German Government with the [Declaration of Commitment to Compliance with Labour and Social Standards in Public ICT Procurement](#): this is an approach for using different labels/memberships (RBA, SA8000, TCO, amfori BSCI) as proof of compliance with ILO norms.

Building from Workshop#1: Webinar on TCO Certified and EPEAT

27 May 2021, 13:30-16:00 CET

Objective & scope

Following the first workshop, the members of the Working Group were curious to learn more about TCO Certified and EPEAT. For this reason, an *ad hoc* webinar with experts from TCO Development and the Global Electronics Council was organised, for giving the members the opportunity to dive deeper into the possibilities offered by TCO Certified and EPEAT respectively. There was a lot of interest around the two labels and the audience was very interactive with the speakers.

Key outputs

Two representatives from TCO Development were invited to give an overview on the new Generation 9 of TCO Certified and to present the social responsibility criteria planned for such next generation. The presentation was followed by a Q&A session with the audience, with speakers addressing questions on supply chain sustainability and transparency on minerals, publicity of the code of conduct and inclusion in new generation of OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected areas, legal obstacles and possibilities for using the label in the technical specifications of a tender, product availability/market resistance, audits carried out by TCO Development.

The second part of the webinar focused on the EPEAT label and saw the participation of two representatives from GEC (Global Electronics Council). They gave an overview of GEC and of the EPEAT ecolabel, covering: what is EPEAT, current EPEAT Product Categories and upcoming ones, EPEAT Registry (mandatory criteria

and optional criteria), overview of the GEC dynamic criteria development process, criteria impact focus, Ecolabel Conformity Assurance System, stakeholders' participation overview.

The presentation was followed by a Q&A session with the audience, with speakers addressing questions on audits in the factories, EPEAT specifics in the EU procurement context, information on minimum (social) criteria for products, if EPEAT also covers the EU market, precise coverage of social criteria.

"Labels are interesting instruments because of the little resources needed by procurers. [...] It is crucial to address the market at an early stage learning about their timeline, if they plan to get certified products, which products they already have. And also to speak to the labels if you are looking for products, which are not certified at the moment to find out whether they plan to and if they just need enough demand from procurers." Quote from participant

Lessons learned

- offer training opportunities to procurers to share good experiences among peers practitioners.
- create dialogue between buyers, brands and certification bodies to identify a joint path for increased uptake of labels (regarding social aspects) and their use in tenders.
- In case of no suitable labels to match your need/ambition, there are other tools to integrate aspects of social responsibility e.g. via criteria or contract clauses.
- Legislation around the use of labels is not always easy in all its details and depends on national legislation, however, should not be a barrier per se.
- Exchanging experience between procurers is beneficial and could be increased.
- In most cases market dialogue (see below) could be useful to test acceptability of specific labels with potential suppliers.

Workshop #2 Prioritizing issues to jointly push the industry further

19th May 2.30-4.30pm

Objective & scope

With this second workshop we sought to identify the key points and ideas on how to push the electronics industry further towards safe, healthy and fair working conditions from the demand side. Besides, the group discussed how to communicate, discuss and negotiate these ethical aspects with the industry in

(in)formal steps in the procurement of ICT. Past lessons learned about this interaction between procurers and industry were especially interesting to discuss.

Representatives of the City of Malmö and the City of Helsinki presented the [Joint Statement of Demand towards fair and circular smartphones](#), developed in the framework of the ‘Make ICT Fair’ Project in 2020. The statement is also supported by the municipality of Copenhagen and the city of Oslo.



Picture 2: Idea exchange on how to approach the industry on dedicated challenges

Key outputs

Through the workshop, we identified some of the main challenges faced by public buyers to push industry further. Participants were put into breakout rooms to co-create possible solutions towards the three main challenges:

1. Creating market dialogue events with effective questions and a streamlined approach.
 - Create a harmonized template with questions to the suppliers that can be shared amongst public buyers.
 - Distinguish between two different types of market dialogues - one before entering a contract and one during the phase of the contract to follow up on certain issues.
 - There is a need for guidance on “how to do a good market dialogue” with different steps and different options for beginners and advanced procurers.
 - Host a joint market dialogue event around specific topics (as a potential future activity).

- The established slack channel was identified as an easy way of sharing useful questions procurers have used in market dialogues to push the market further.
2. Leveraging traceability/transparency on the entire supply chain, including disclosure of factory locations.
 - Create a joint dialogue with manufacturers and resellers of IT about risks and transparency further down the supply chain (sub-suppliers from components and raw materials). The aim would be to find out how to ensure that the pool of factories that are used meet expectations with regard to human rights.
 - Develop selection criteria and award criteria and/or mandatory contract terms for transparency on component manufacturers and risk management. Participants pointed out the need to have an event organizer who would take care of inviting the actors and moderate the meeting. They further identified the usefulness of preparing questions prior to the event from both sides, procurers and manufacturers to ensure a smooth dialogue with a clear set of expectations.
 3. The use of in-house resources to manage a follow-up process.
 - Develop a database to help verify social issues. Remaining questions were how exactly this database would look like and whether NGOs could be approached to take over this kind of work.
 - Provide partial time of staff members to organize the follow-up process.

“There is a huge gap between what we want to see and reality. More collaboration between procurers and others seems to be needed to push the market forward. [...] Market dialogues take a lot of time and resources both from us buyers and from suppliers, but it is worth the effort.” Quote from participant

Lessons learned

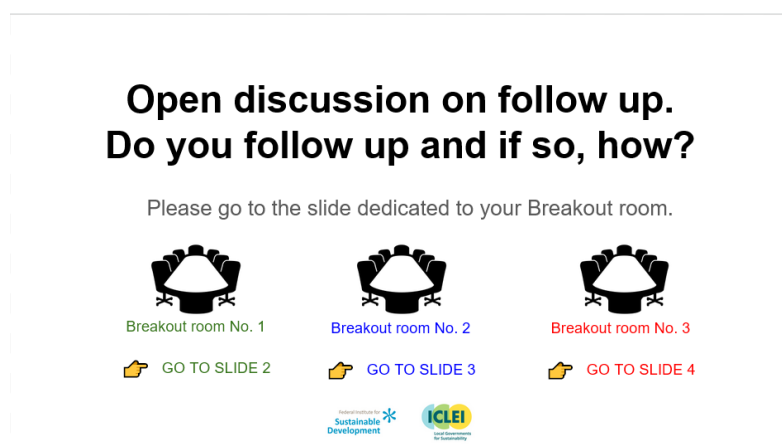
- Collaboration between public buyers is critical in both identifying key issues to push industry further as well as to implement actions such as a joint market dialogue event or statement of demand.
- To build fruitful relationships, a dialogue perspective needs to be included across the procurement cycle ie. hosting different market dialogues - one before entering a contract and one during the phase of the contract management. Ethical aspects should be built into the agenda of the dialogue.
- There is a lot of scope and untapped potential for public buyers to take joint follow-up action, harmonise their approaches or learn more about third party organisations such as Electronics Watch.

Workshop #3 - Discussing the follow-up process

Date: 22.9.2021, 10am-12pm CET

Objective & scope

Building on the previous two workshops, this workshop focused on how to ensure implementation of social responsibility after award and throughout the contract duration. We asked 'Do you follow-up, if so, how? Why does follow-up matter? And how to build it into procurement?' As such the group explored different ways to monitor, verify and how (not) to follow-up.



Picture 3: Open discussion on the follow up process

Key outputs

In the workshop, participants discussed and captured their own current practices. Multiple breakout rooms allowed for in-depth exchange. Back in plenary, participants found that whilst a small group of the

members is following-up through collective audits or affiliation to Electronics Watch, most authorities are indeed not yet following-up on social responsibility. Key reasons for not yet following-up after contract award include lack of time, skills and capacity to do it by themselves. Joined by the Director of Electronics Watch, the group learned about the latest outcomes around the remediation of migrant workers in two factories located in Thailand. The discussion resulted in some key takeaways such as

- Learning about structural issues of violation of migrant workers' rights.
- Building a relationship with industry that is based on regular dialogue, also involving sub-suppliers with smaller factories, can broker a solution-oriented approach when issues arise rather than a defensive reaction-fearing punishment.
- As buyers, it is critical to include follow-up activities into the contract clauses when writing the tender.
- A joint, harmonised effort from multiple public buyers has shown to be more impactful as in creating a response from industry actors.

As a result of this workshop, participants

- Got an overview of different approaches to monitoring and following-up as well as current practice across Europe;
- Received an expert input about a specific case of the impact of remediation leveraged through follow-up processes ([Electronics Watch 2020](#));
- Discussed the possibilities of action for different types of procurers;
- Created a checklist for other public buyers featuring recommendations on how to establish capacity and knowledge around following-up (see Annex).

About what to do if you cannot access the factory through your own audits.

“We have limited resources. And it has been very apparent now with Covid as well that there are other ways [than doing our own audits] to get information about what is going on at the factory level. Most brands conduct their own audits. It is about having access to that information. And being able to have a dialogue with the brands what the issues are in their factory. And it is also interesting if you get other information from for example Electronics Watch. And then you can sit at a meeting and say ‘we have [other] information that this is also an issue.’” Quote from participant

Lessons learned

- Raise internal awareness about the importance of build-in follow-up measures and activities when writing the tender i.e. contract clauses.
- Raise external awareness on social contract clauses in market dialogues with potential suppliers.
- Collaborate with other public buyers to exchange experience and potentially follow-up jointly.
- Explore affiliation to Electronics Watch or other third-party organizations that monitor labour and human rights conditions in the supply chain.

Workshop #4 - Capturing good practice

Date: 27th October, 2-4pm CET

Objective & scope

A final workshop rounded up the work over the last year with a spotlight on the participants’ fair IT procurement approach, their concrete procurement actions and lessons learned from the working group.

Key outputs

Based on the previous exchange, we drafted Portraits on ethical procurement of ICT together with participants as preparation for the workshop. In the session, each participant presented their portrait in a breakout room setting to the other public buyers, followed by discussions and overall exchange.

Following the workshop, we have finalised a number of portraits for publishing. These outline the overall procurement approach to ethical ICT, recent/current/planned action, as well as insights on either using labels, preliminary market consultation or follow-up (in connection with the previous three workshops). All portraits can be found in the Annex.

Lessons learned

- It is worthwhile learning about other authorities' procurement approaches on tackling ethical issues, challenges and plans from across Europe.
- Ethical procurement of electronics is far from mainstream good practice and is becoming more important across product categories as digitalisation and electrification are increasing. As such many participants identified batteries for electric vehicles as an important topic for future exchange and collaboration.

Recommendations for future work

As a reflection on the working group experience in 2021 - considering the 5 online sessions, portraits and feedback survey, we share the following recommendations for future work:

- The establishment of the working group has been adding value to the day-to-day work of (advisors to) public procurers. It brought together a community of practice across Europe that was able to connect and learn from each others' experiences.
- Most of the members expressed explicitly the will to continue doing work under this European working group on ethical IT. There is value in continuing the working group as means to foster collaboration between buyers with a focus on direct knowledge exchange across Europe.
- Last year, other working groups on circular, sustainable, environmental ICT were created at national and European level (e.g. under the Circular and Fair ICT Pact). Partial information exchange between these groups can be important to be aware of common issues to be tackled by procurers.
- A joint (ethical IT) procurement between the working group members does not seem feasible as for now, especially because of perceived differences in national procurement regulation. But based on the insights received, the

members are ready to demonstrate shared ambition towards industry as well as to harmonise criteria and clauses covering social aspects.

- A direct exchange with third parties such as labels or monitoring organisations proved very valuable and advisable to continue.
- Invest in providing public procurers across Europe with relevant resources, additional capacity and internal buy-in. The additional means could enable them to fully engage and build expertise on solving problems that occur somewhere else across the globe and that are outside their direct responsibility.
- Topic-wise, place an emphasis on ethical procurement of batteries, which for many is an area of interest that has not received sufficient attention with regards to the potential ways of ethical sourcing driven by the public sector.
- Focus the exchange on specific criteria, specifications and clauses with the ambition to harmonise their use further across Europe.
- Create and publish a “Joint Statement of Demand” for e.g. ethical batteries by public buyers to raise ambition, in consultation with external experts.
- Facilitate strategic connections to the EU-level based on the insights from the working group.

Annex

A - Checklist for follow-up

B - Portraits Ethical Procurement of IT

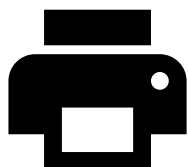
HOW TO DO

ETHICAL PROCUREMENT OF ICT

THE FOLLOW-UP CHECKLIST

- Invest in resources e.g. staff and budget to follow-up as it is almost as important as setting criteria.
- Build up in-house knowledge and increase competencies, starting with learning about the key issues and dynamics of the electronics supply-chain.
- Include contract clauses that you can follow-up on in upcoming tenders.
- Create an understanding that follow-up is more likely about enabling improvements, rather than a quick check if everything is ok or not.
- Set aside extra budget and assure internal support/staff capacity when working with third party organisations such as Electronics Watch.
- Collaborate with other public buyers to demonstrate joint ambition or action e.g. audits towards contracted entities.
- Set-up/ participate in working groups with certifying bodies in order to guarantee transparency and reliability of social criteria required.
- Learn from practical stories on what is happening in mining/production, and how the use and follow-up of contract clauses can make a difference.

PORTRAITS
**ETHICAL
PROCUREMENT
OF ICT**



**FEDERAL
INSTITUTE FOR
SUSTAINABLE
DEVELOPMENT,
BELGIUM**

**CREATED THROUGH THE INTERNATIONAL
WORKING GROUP ON ETHICAL
PROCUREMENT OF ICT**

ABOUT

The Belgian Federal Institute for Sustainable Development (FISD) provides support for sustainable procurement by creating documents on SPP for several categories, helping on implementing SPP policy and developing SPP monitoring.

In 2018, the FISD supported the Belgian Ministry of Defence in technical clauses concerning a 4-year framework contract for about 80.000 devices (especially laptops, monitors and PC's). Since 2020, sustainable ICT is high on the Belgian political agenda. From November 2021 on, negotiations between departments have been set up for the new framework contract.



APPROACH

Our institute brings people together at the table, especially because it opens up possibilities for the exchange of ideas on sustainable and ethical tender clauses and follow up. In 2021 we organized 4 Belgian network sessions with about 80 IT public procurers under the Fair and Circular ICT Pact.

We are sharing knowledge on ethical procurement, (good and bad) stories to (try to) convince the procurers and management on ethical impacts of IT buying.

It is key to have easy, yet effective verification tools such as e.g. labels.

Sharing good practices is very important to inspire others.

ACTION

Tender 2018:

- Market research of available TCO and EPEAT products
- Reference in the tender to mandatory criteria
- TCO labelling for all products
- Reference to ILO-and human-rights clauses, however without follow up

Planned for 2022: computer framework contract for 4 years for ~ 80.000 devices.

FOLLOW-UP



CHALLENGES

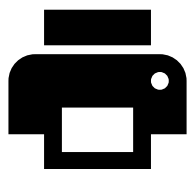
- lack of resources in the procuring administration on the follow-up of these clauses, no real follow up process has been put in place or suggested by the supplier.

RECOMMENDATIONS

- Third party organizations are best placed to organise and monitor the ethical aspects in the (long) supply-chain.
- Alternatively, procuring departments invest themselves in staff that is specialised in ethical follow-up, management-document-survey, auditing, etc. Training of these experts, based on SA 8000 standards on social accountability or other standards seems advisable.
- From a resource perspective, discussion on allocating internal resources is very important (e.g. a few hours each week or month).
- Collaboration with several departments on the due-diligence follow-up of ICT is advisable. Not only ICT is in the picture, but also other categories like batteries or textiles.

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PORTRAITS
**ETHICAL
PROCUREMENT
OF ICT**



**CITY OF HELSINKI,
FINLAND**

**CREATED THROUGH THE INTERNATIONAL
WORKING GROUP ON ETHICAL
PROCUREMENT OF ICT**



ABOUT

The city of Helsinki procures ICT for about 40,000 employees. The ICT department together with centralized procurement department are responsible for the procurement. The City buys about 20 000 laptops, 6000-7000 phones and 5000 tablets every year.

Whilst working on a new Procurement Strategy, Helsinki builds up experience and knowledge on how to procure fair ICT. Helsinki is also a signatory of the Joint Statement of Demand for Circular, Fair Smartphones.



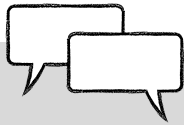
APPROACH

The Procurement Strategy provides a strong basis for ethical procurement of IT. Helsinki leverages several stages of the procurement cycle for social aspects such as Preliminary market consultation, Inter-organisational planning and strategy, Needs and Specification Assessment.

Particularly, careful market discussions, needs assessment, desk research and announcement of intentions towards ethical aspects in upcoming procurements are effective tools Helsinki already has in place to promote ethical IT procurement. For example, Helsinki co-hosted the Nordic Forum for Market Dialogue towards fair, circular smartphones with other Nordic buyers.

In upcoming tenders, social aspects should be included better through Selection and Exclusion criteria, Contract conditions, Labelling, Electronics Watch Affiliation or other third party verification.

MARKET DIALOGUE



CHALLENGES

- There is a limited market for TCO Certified products

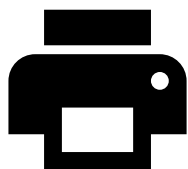
RECOMMENDATIONS

- host joint market dialogue events
- collaborate with resellers as well as suppliers
- link social aspects to lifecycle thinking
- create a wider engagement around a dialogue event
- learn from other public buyers on how to create a dialogue event

ACTION

We are currently planning a new tender for ICT equipment in 2022. We see this as an opportunity to strengthen the dialogue with the industry.

PORTRAITS
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OF ICT**



**CONSIP,
ITALY**

**CREATED THROUGH THE INTERNATIONAL
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PROCUREMENT OF ICT**



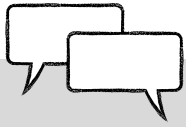
ABOUT

Consip S.p.A. is a public stock company owned by the Italian Ministry of Economy and Finance (MEF), its sole shareholder. Consip's mission is to make the use of public resources more efficient and transparent, by providing tools and skills to public administrations, in order to allow them to perform public purchases and at the same time stimulate a competitive participation of enterprises to public tenders.



"The exchange/networking between EU IT procurers/policy makers, who are facing the same difficulties in their activities, was an encouragement to continue this difficult path towards ethical procurement."

Giuseppina Galluzzo, CONSIP



APPROACH

In the approach towards ethical procurement of ICT, it is essential to follow the following relevant steps:

- 1. Feasibility study and definition of procurement strategy:**
 - Open consultation with relevant market,
 - Demand analysis and market analysis,
 - Opportunity identification and Feasibility Study deliverable,
 - Economic design of the tender,
 - Procurement strategy deliverable
- 2. Tender documentation deliverable**
- 3. Service level monitoring:**
 - Service level inspection,
 - Surveys analysis,
 - Complaint analysis,
 - Corrective measures

MARKET DIALOGUE

CHALLENGES

- Awareness that an effort must be made to ensure respect for human rights and working conditions along supply chains.
- Finding ways to reward this effort.

QUESTIONS TO ASK SUPPLIERS IN DIALOGUE

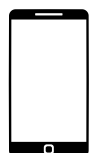
- What social policies have been implemented in relation to the promotion and application, along the supply chain, of social standards regarding human rights and working conditions?
- The details of their certifications (process or product certifications)
- What elements of products and services are enhanced by these certifications?

ACTION

Recent Desktop PC purchase initiative

As a mandatory requirement of the display's supply, it was requested the **TCO Certified label** and related appendix (or equivalent certification) which guides social and environmental sustainability throughout the entire life cycle of IT products

PORTRAITS
**ETHICAL
PROCUREMENT
OF ICT**



**STATE SECRETARIAT FOR
ECONOMIC AFFAIRS,
SWITZERLAND**

**CREATED THROUGH THE INTERNATIONAL
WORKING GROUP ON ETHICAL
PROCUREMENT OF ICT**

ABOUT

In terms of sustainability, the Federal Office for the Environment advises the public procurement authorities on the integration of ecological aspects. The State Secretariat for Economic Affairs supports them on the integration of social criteria. Mostly, other central offices are responsible for ICT procurement. Our role is to make them aware of the challenges regarding the social aspect in ICT procurement and help them overcome those.

APPROACH

For goods, work and services **provided abroad**:
The contracting authority shall award a public contract only to tenderers that comply as a minimum with the **Core Labour Conventions of the International Labour Organization (ILO)**.

Additionally, since the entry into force of the revised law on public procurement, the contracting authority can require compliance with principles from other ILO conventions, provided Switzerland has ratified them.

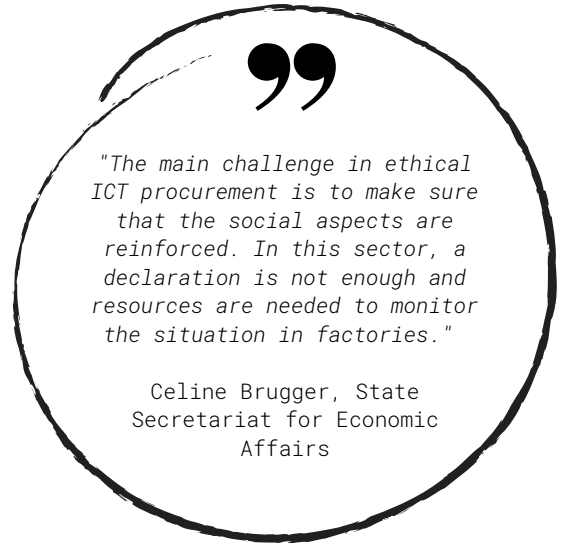
For goods, work and services **provided in Switzerland**:

The contracting authority shall award a public contract only to tenderers that comply with

- the **workplace health and safety regulations** and
- **terms and conditions of employment applicable at the place of performance** - the notification and authorisation duties and the provisions on the equal treatment of men and women in terms of equal pay.

The **place of performance** is crucial to define which participation conditions are applicable.

- The place of performance is the place where the service, goods or work is actually provided.
- If goods are produced abroad and delivered in Switzerland, the country of production is considered the place of performance. The Subcontractors are obliged to comply with the requirements.



"The main challenge in ethical ICT procurement is to make sure that the social aspects are reinforced. In this sector, a declaration is not enough and resources are needed to monitor the situation in factories."

Celine Brugger, State Secretariat for Economic Affairs



LABELS

CONFEDERATION'S STANDARD ANALYSIS TOOL (LOGIB)

We are looking at different labels to understand where in the procurement phase they could be used. If the work, goods or services are provided in Switzerland, the bidder must prove that **equal pay for men and women is respected, in particular by means of the Confederation's standard analysis tool (Logib)**.



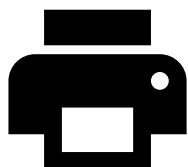
<https://www.logib.admin.ch/home>

CHALLENGE

The legal obligation of not creating obstacles to the market makes it difficult to impose one or the other label in some procurement procedures.

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PORTRAITS
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OF ICT**



**CITY OF OSLO,
NORWAY**

**CREATED THROUGH THE INTERNATIONAL
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PROCUREMENT OF ICT**



ABOUT

The capital City of Oslo is the economic hub of Norway, and its ambition to be a green, inclusive and smart city has also made it a champion for sustainable procurement. The City has been pursuing sustainable procurement actions for many years and has placed a particular focus on reducing greenhouse gas emissions, increasing responsible and circular purchasing, and increasing the share of sustainable food.

The Agency for Improvement and Development is responsible for the citywide framework agreement for ICT equipment for all the 50 entities in the city of Oslo, for more than 50.000 employees, for an estimated value of about 40 million Euros. Oslo is a signatory of the [Joint Statement of Demand towards Fair, Circular Smartphones](#). More information on Oslo's sustainable procurement practice can be found on [Procura+](#).

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"It was good to see so many public buyers working on the same issues. Collaborating means pushing the market forward together"

Stine Foss, City of Oslo



APPROACH

To effectively address ethical aspects in our procurement activities, we undertake the following activities:

- We engage in **market consultations** before setting up procurement requirements, to ensure that the market is ready for the social criteria we are suggesting. We also arrange dialogue conferences annually with suppliers and potential suppliers about our criteria;
- We set **social selection criteria and standard contract clauses** (using [Oslo's standard social criteria](#)). This is to ensure that our suppliers have a management system for labour and human rights issues, and a system for traceability. We require that suppliers respect human rights along the supply chain and comply with ILO conventions and national laws on human rights of the countries where the production is located. We also require to carry out due diligence for conflict-free minerals (for tablets and PCs).
- At the **contract management** stage, we regularly follow up through reporting based on desktop research. Due to the lack of management systems and proper traceability, we follow up holding regularly 1:1 meetings with our suppliers, to seek improvements.
- We also regularly **exchange** with other public buyers to address some of the systematic challenges of the industry.

FOLLOW-UP

Following-up on social criteria is a way to push the market forward. The ICT industry presents transparency and traceability issues impacting negatively on human rights, starting from the extraction of raw materials through the whole supply chain of ICT products.

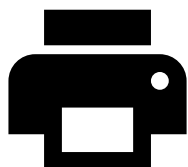
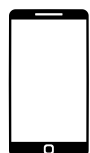
Desktop research demonstrates a high risk of human right violations especially with regard to the production of PCs, tablets and smartphones.

What we recommend:

- Political support and a clear message from the top;
- Competence and knowledge about human and labour rights issues along the supply chain;
- Specific knowledge on the ICT-industry;
- Capacity to follow-up and seek collaboration with supplier for improvements;
- Collaboration with other public buyers to increase leverage and together push the industry forward regarding fair conditions for ICT workers;
- Support nationally and internationally laws and regulations that push for ethical supply chains;
- Use the experience and learnings from the follow-up phase to target specific challenges in the next procurement.

Contact: Stine Foss, Sustainability Manager – Ethical Trade, City of Oslo
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PORTRAITS
**ETHICAL
PROCUREMENT
OF ICT**



**CITY OF GHENT,
DISTRICT 09,
BELGIUM**

**CREATED THROUGH THE INTERNATIONAL
WORKING GROUP ON ETHICAL
PROCUREMENT OF ICT**

ABOUT

District09 is the ICT partner of the City of Ghent and is responsible for the purchase, delivery, implementation, maintenance and support for all ICT solutions (hardware and software) for the City. District09 supports about 12,000 end users, as well as approximately 9000 laptops, 3000 PC's, 3800 smartphones, 3000 scanners and printers, 2500 tablets and 721 physical servers. District09 is an affiliate of Electronics Watch since April 2021.



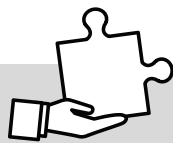
"Thanks to the fruitful exchange with the Working Group, we will review the opportunities offered by labels and we will use them in our tenders."

Bert Wauters and Sarah Janssens, District09

APPROACH

When preparing for a tender, we apply the following approach (essential aspects):

- We carefully take under consideration the cost price, quality, services before and after the procurement process and particularly the Service-level agreement (SLA);
- We use Sustainable ICT criteria and we include labels (TCO Certified) and the Electronics Watch Contract Conditions;
- We closely follow the ICT market;
- We leverage the negotiation stage;
- We do follow up on contractual agreements and SLAs.



CHALLENGES

- We face a general lack of knowledge and expertise when it comes to describing sustainable aspects in tender documents;
- The evaluation stage is also challenging, as it is difficult to say whether suppliers would be compliant with the ethical requirements.
- We would like to have more clarity and transparency around labels. We are not certain if they provide the most advanced criteria, nor if they cover enough devices.

ACTION

We recently planned 4 tenders for the supply of the following ICT products: computers (laptops, desktops and monitors); Apple materials; Peripheral devices; Smartphones.

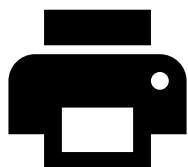
Our tender on computers is underway with award criteria that consider the following aspects:

- Compliance with the TCO; Certified label (or equivalent)
- Use of environmental management systems;
- Life extension;
- Environmental impact in production;
- Energy consumption;
- Transportation and packaging;
- E-waste production.

We also included ethical selection criteria (suppliers shall to enter into dialogue with Electronics Watch).

Contact: via ICLEI - Local Governments for Sustainability
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PORTRAITS
**ETHICAL
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OF ICT**



**SKI - STATEN OG
KOMMUNERNES
INDKØBSSERVICE
(DANISH CENTRAL
PURCHASING BODY),
DENMARK**

**CREATED THROUGH THE INTERNATIONAL
WORKING GROUP ON ETHICAL
PROCUREMENT OF ICT**

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"The exchange with the group helped us to see potential in harmonised criteria and to be aware of a shared purpose.

The possibility of collaboration could influence our procurement approach."

Michael Terkelsen, SKI

ABOUT

Staten og Kommunernes Indkøbsservice A/S (in short, SKI) is the Danish national Central Purchasing Body.

SKI is responsible for implementing framework agreements that includes a range of criteria regarding ethical conditions.

APPROACH

Our ethical approach entails the following elements:

- We particularly leverage tender documents and the contract management stage. We do follow up on contracts both on national and international level.
- We refer to the 10 principles in UN Global Compact, the guidelines in the UN Guiding Principles for Business and Human Rights, OECD's guidelines for multinational enterprises and a number of ILO conventions especially regarding human rights and workers' rights in our CSR annex (code of conduct). By referring to the ILO principles in the contract clauses we send a clear message to supplier, saying that we are able to use contractual terms to ensure compliance with the highest ethical standards.
- We require contractors to comply with ecolabels (Type I ecolabels) and we refer to relevant standards as documentation for compliance with our contract requirements.
- We are obliged to collaborate with ambitious municipalities, some state authorities and regions and we are also obliged to comply with the government's strategy for green public procurement.

Contact: Michael Terkelsen,
Tender lawyer and sustainability
consultant
(mit@ski.dk)

ACTION

We are planning to implement a national framework agreement for computers and other ICT products such as servers and network equipment. We will address ethical aspects through the following:

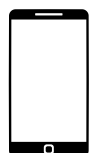
- We will refer to the UN global Compact, the UN Guiding Principles for Business and Human Rights, OECD and ILO conventions. We will react if we have a reasonable suspicion and in some cases we will carry out the audit proactively.
- We will require compliance with Ecolabels such as TCO Certified and EPEAT.
- we will require the supplier to report about their behaviour in line with the Code of Conduct expressed by RBA (Responsible Business Alliance).

CHALLENGES



We lack capacity, resources and knowledge on what concrete efforts can truly create improved workers conditions in the value chain. The exchange of experience in this working group and our Nordic cooperation will help us to develop a more targeted effort to tackle this issue in the years to come.

PORTRAITS
**ETHICAL
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OF ICT**



**REGION STOCKHOLM,
SWEDEN**

**CREATED THROUGH THE INTERNATIONAL
WORKING GROUP ON ETHICAL
PROCUREMENT OF ICT**

ABOUT

Region Stockholm, Sweden, centrally procures ICT for all of its operations. The public authority applies binding contract terms addressing social responsibility since 2014. Since 2015, most hardware suppliers have been audited mostly through desktop audits. In 2018-2019, eight procurements of ICT equipment with advanced sustainability criteria were awarded at a total contract value of €62 million (650 million SEK).

APPROACH

The Swedish regions have identified ICT as a priority area to be addressed in their procurement, due to the high risk of human rights, labour rights, and child labour violations within the supply chain. As part of the national collaboration, Region Stockholm is responsible for developing criteria and following up, on behalf of the Swedish regions. The negative environmental impact of this category is also significant. As an energy-consuming product category, sustainable ICT procurement also contributes to the region's energy efficiency and carbon reduction targets. The region's ICT procurement approach, therefore, has a number of objectives. Its procurements should promote innovation and stimulate sustainable product development toward products free from hazardous substances and low environmental impact from a life cycle perspective while reinforcing social responsibility in the supply chains. In addition, effective sustainability criteria should be set based on analyses of environmental and human rights impact. (GPP Helpdesk case study)

ACTION

In 2018 and 2019, a total of eight procurements of different types of ICT equipment were conducted. All of them included social criteria. (Make ICT Fair Case Study)

FOLLOW-UP



- Electronics Watch affiliation
- we have followed up on social criteria for about 7 years. Cooperation nationally with all the other regions.
- Focus for us ICT - we share summaries of audits with other regions.
- We have mandatory contract clauses that reflect the ambition in our code of conduct.
- We follow-up our partners' ability to conduct due diligence.

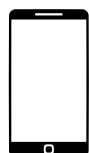
Most of our suppliers within IT are retailers. Electronics Watch provide us with information about what is happening at factory level. Corrective actions for our suppliers take a lot of time. Some retailers know very little about these issues, so we spend time educating them. But there are many tools: self-assessments, dialogue, etc.

Recommendations

- Electronics Watch affiliation
- Suppliers should be contractually obliged to monitor their supply chain, and especially follow-up on identified risks.
- Rewarding tenderers that have appropriate systems in place during the tender stage or if they supply from such brands is appropriate.

Contact: Kathleen McCaughey
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PORTRAITS
**ETHICAL
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OF ICT**



**AKTIONSPLAN
NACHHALTIGE
BESCHAFFUNG (NABE),
AUSTRIA**

**CREATED THROUGH THE INTERNATIONAL
WORKING GROUP ON ETHICAL
PROCUREMENT OF ICT**



ABOUT

In 2019, the Federal Ministry of Climate Action (BMK), instructed the national procurement agency to set up a national service point for the implementation of the action plan on sustainable public procurement. The result is the so-called **naBe-platform**, which started in September 2019 and since then has a focus on sustainable ICT procurement and supports the BMK in all ambitions to accelerate the uptake of sustainability criteria in public procurement.

“My wish is that we take scale up successful initiatives in sustainable ICT procurement and organize public buyers all over Europe in order to approach big IT brands with a common voice.” Christoph Ambach, naBe

APPROACH

In June 2021, the Austrian government released its updated National Action Plan on Sustainable Public Procurement. The action plan comprises sustainability criteria for 16 different product groups, whereby ICT is one of them. All national government bodies must respect those criteria for its procurement activities.

Recommendations

- Deep knowledge of the field to be able to ask the right questions, to talk to operative procurers on the same level and also to be able to challenge some information you get from the market.
- Confront the market with your question at an early stage, so that they know that you really want to push ethical procurement.
- Get your numbers right and prepare examples. In the best case with figures and financial implications of your ideas.
- Focus on getting the procurers on board.
- Criteria need to be included in the tender documents to have a legal obligation.
- Engagement in the forms of market dialogue event with industry and with various stakeholders, desk research, 1:1 meetings, announcement of intentions towards ethical procurement.
- Talk with one voice (e.g. Circular and Fair IT Pact) and approach brands together to get a commitment by brands, so that they can deliver ethical products in each European country.
- Exploit existing tools e.g. the German Declaration of Commitment to Compliance with Labour and Social Standards in Public ICT Procurement and EU tools.

MARKET DIALOGUE

Challenges

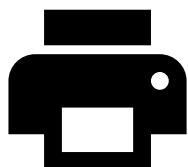
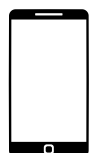
- Although Europe has a common market, each national market still has its nuanced differences and it is needed to account for those differences. At the same time the common market and also regulation e.g. Directive 2014/24 bears the potential for some common approaches.
- There is a need for a team dedicated to SPP or ethical procurement, to coordinate and organize such activities. We experience that procurement is highly specialized and has a high intensity so that often procurers have no capacity to do other than business as usual.
- In deep knowledge is needed, to be able to challenge information from the market and confront them with knowledge.

ACTION

For the planned procurement of notebooks we have done market dialogues with brands and suppliers as well as meetings with procurers, overall with a focus on labels (exchange on the certification process and criteria verification).

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PORTRAITS
**ETHICAL
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OF ICT**



**SYKEHUSINNKJØP HF
(NORWEGIAN HOSPITAL
PROCUREMENT TRUST),
NORWAY**

**CREATED THROUGH THE INTERNATIONAL
WORKING GROUP ON ETHICAL
PROCUREMENT OF ICT**

ABOUT

The Norwegian Hospital Procurement Trust (Sykehusinnkjøp HF) was founded in 2015 and holds a strategic and operative responsibility for purchasing in the specialist healthcare service. The trust is owned by the four regional health authorities with the Head office I Vadsø (North of Norway) with department offices located all over the country. The annual agreement portfolio € 3,3 billion (approximately 7% of Norway's public procurement budget), with an ICT annual spend of € 87 million.



APPROACH

Our ethical procurement approach entails the following:

- When planning a tender on ICT, we first analyse the market to understand the different offer in terms of Environmental and Social Governance (ESG).
- Ethical trade contract clauses are in all our contracts but if procurers want to raise the ambition, they can make use of a qualification requirement.
- Although it is difficult to follow up on all tenders, we choose the ones with the highest risk and do follow up there. If there is prequalification on ESG, we always do follow up. We are following up ICT companies together with other big Norwegian public buyers (Norwegian Agency for Public and Financial Management – DFØ and City of Oslo) on questions regarding forced labour.

FOLLOW-UP



Recommendations:

- We believe that cooperation with other big buyers can help us secure focus and attention at our suppliers, and that together we can achieve better results.
- We also believe that when we as public buyers work together with suppliers, the latter may also use less resources to answer each of their customers.

ACTION

We recently published a tender on laptops using ethical qualification criteria. On our laptop agreement in place we are following up the supplier and we are working to visualise the supply chain as long back as we possibly can.

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