

Protecting human rights in global supply chains through public procurement



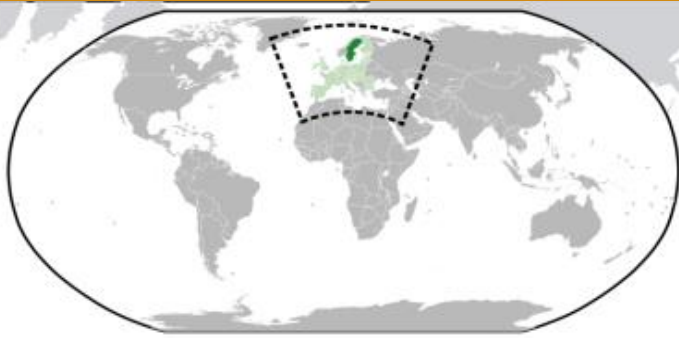
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My presentation will focus on

1. The county councils work with sustainable procurement
2. The case of computer company Dell
3. The case of Ansell a global provider of protection solutions
4. Lessons learned

21 County Councils and Regions



Responsible for

- healthcare
- dental care
- public transport

250 000 employees

Procures goods and
services to the amount
of USD13 billion



Wake-up call 2007 – Report on unethical procurement practice





EIGHT RISK AREAS



Why sustainable public procurement?

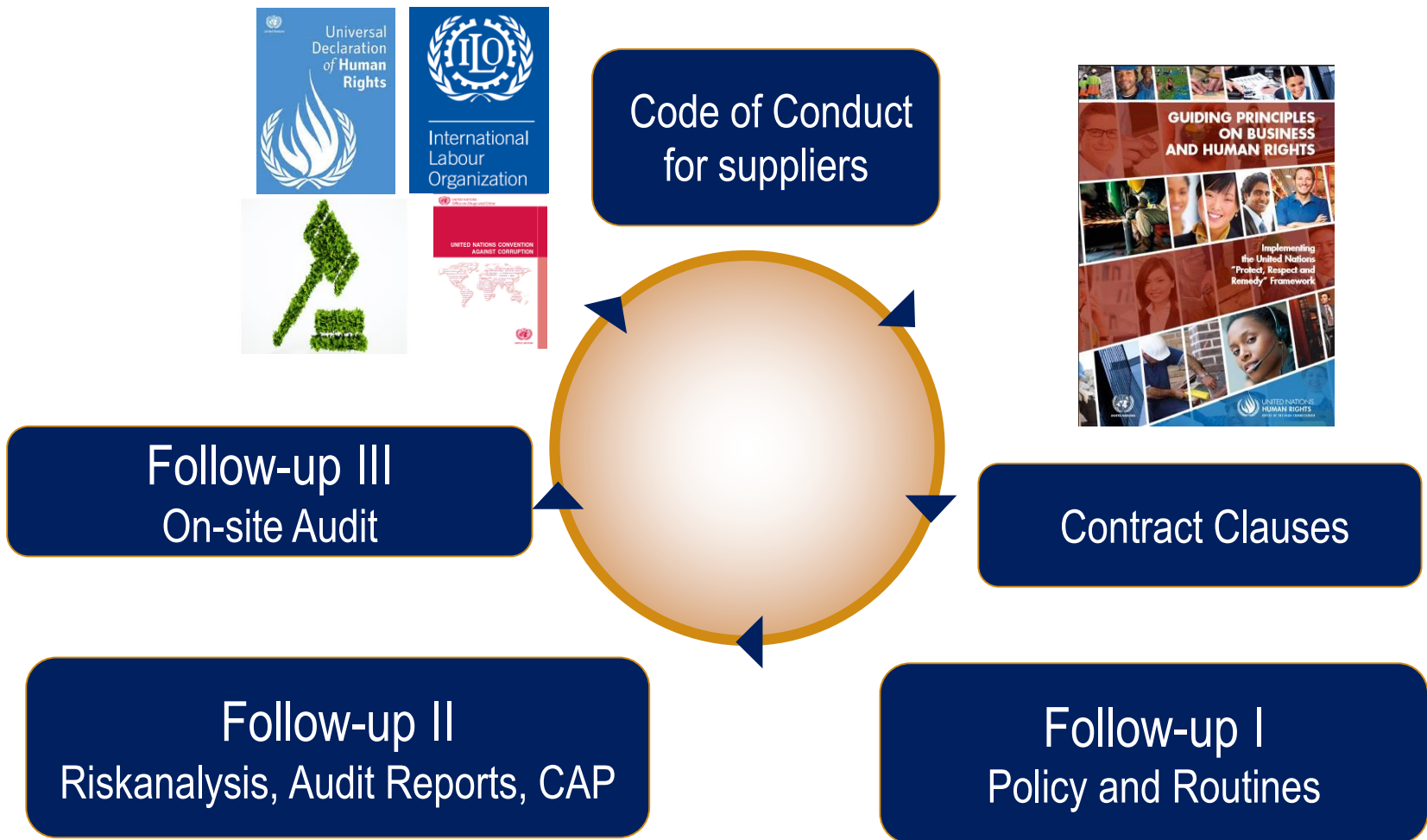
- Obligation to protect human rights
- Opportunity to influence the market and create a demand for sustainable products and services
- Riskmanagement – reputational risk, economic risk

*States should promote respect for human rights by business enterprises with which they conduct commercial transactions. **UNGP 6***

*Promote public procurement practices that are sustainable, in accordance with national policies and priorities. **SDG 12.7***



Five steps to sustainable public procurement



FROM POLICY TO PRACTICE – SURGICAL GLOVES

- Medical gloves identified as a high risk area
- 150 billion pairs of gloves per year, with a market value of over USD \$5 billion
- Around two-thirds of all disposable gloves are manufactured in Malaysia.
- Follow-up of 6 suppliers
 - Audit at Bröderna Berner's sub-supplier Ansell



ANSELL'S FACILITY IN MALAYSIA



Lat: 2.9228100
Lon: 101.6571800



24 violations of which 10 were major

Violation	Description
Forced labour	The facility kept original passports for the migrant workers
Forced labour	Compulsory overtime was stated in a contract in the sample
Forced labour	Loans were given to migrant workers to pay recruitment agency and travel cost (equalled 3 month of wages)
Forced labour	The migrant workers could not leave
Working hours	Sample of 140 hours overtime
Working hours	Sample of working 45 consecutive days
Fire safety	Dormitories

Ansell takes action



...”Ansell is taking a stance to shift the common practice among glove manufacturing companies in Malaysia. As of January 1, 2016, Ansell will assume responsibility for all recruiting fees going forward.”

2013

DanWatch
report

2014

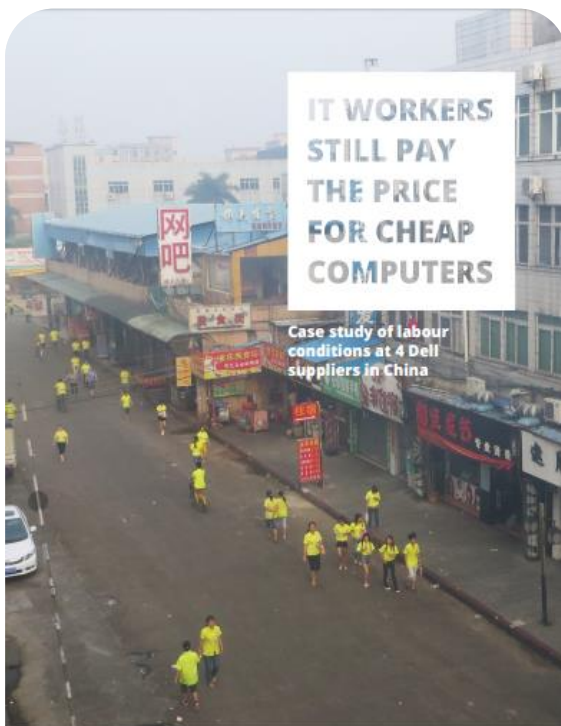
David vs
Goliath

2015

Accountability
achieved

2016

Results



4 factories in China

According to the Danwatch-report the factories also produced to:

Yokogawa

ASUS

HP

Samsung

Microsoft

IBM

Compaq

Sony

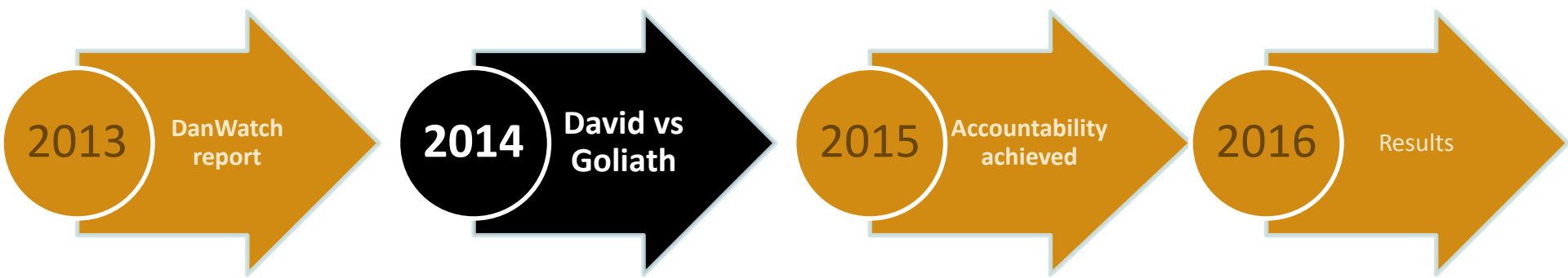
GE

NEC

Fujitsu

Phillips



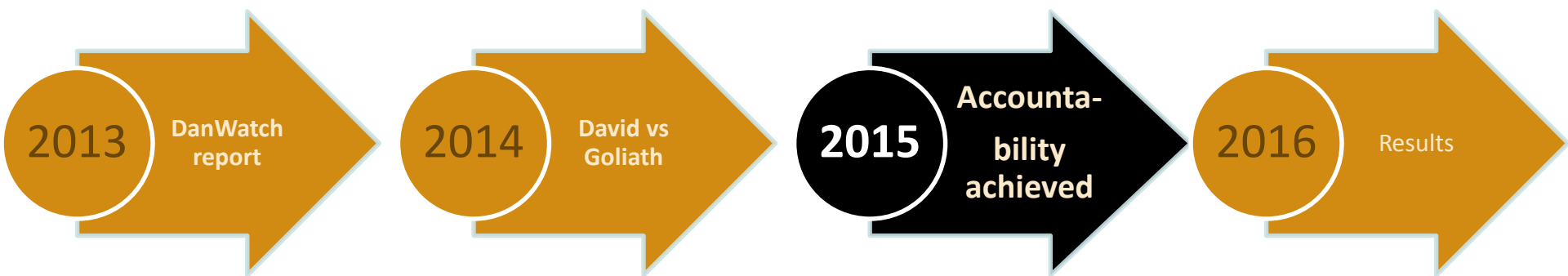


One y **Memorandum to steering committee Dec 15**

Unsuc
audit r

My personal view is that a slow negotiation and dialogue with Dell ..., is risky.... I do not believe that Dell can ensure that they comply with the contractual obligations Thus we have direct or indirect contractual agreements with a supplier that have poor working conditions in their supply chain.





Klipp från NyheterNA

Alla Inrikes Utrikes USA-valet 2016 Allt om Brexit

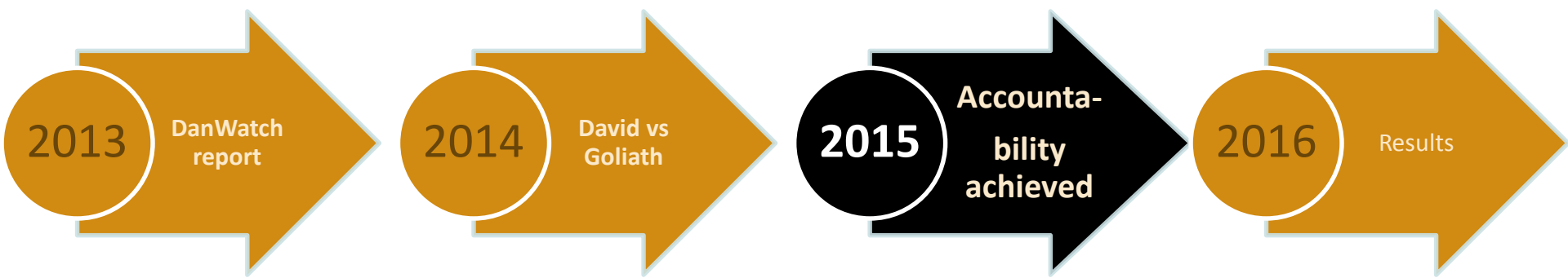
Sök inom "NyheterNA"...



More Swedish customers contacts Dell
in regards to media information

Dela

Tweeta

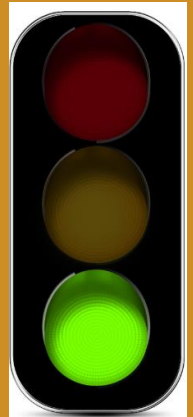


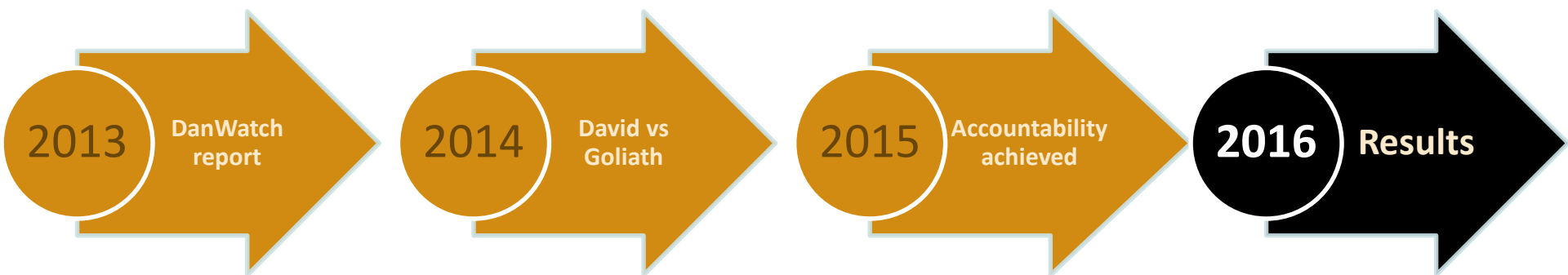
Accountability achieved in September

Dell - Two factory EICC-audits in China in July

E&Y as observers for the county councils

Under NDA full disclosure of audit reports and CAPs





Dell

Full disclosure under NDA

SER Executive Review Board

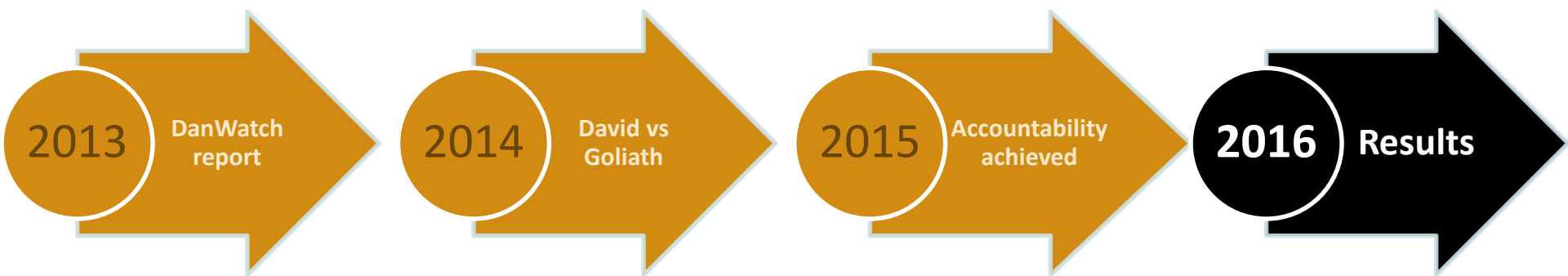
Increased customer engagement

Increased resources

Atea (wholesaler)

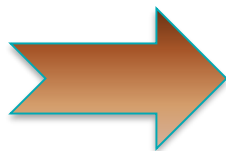
Strengthened due-diligence
work

increased resources



RISK ANALYSIS

Identify salient human rights risks in our supply chains



ACTION PLAN

GOALS

- Working conditions
- Collective bargaining
- Living conditions
- Products with conflict free minerals

ACTIVITIES

- Dialogue and cooperation
- Follow-ups of other ITC suppliers
- Develop selection criteria

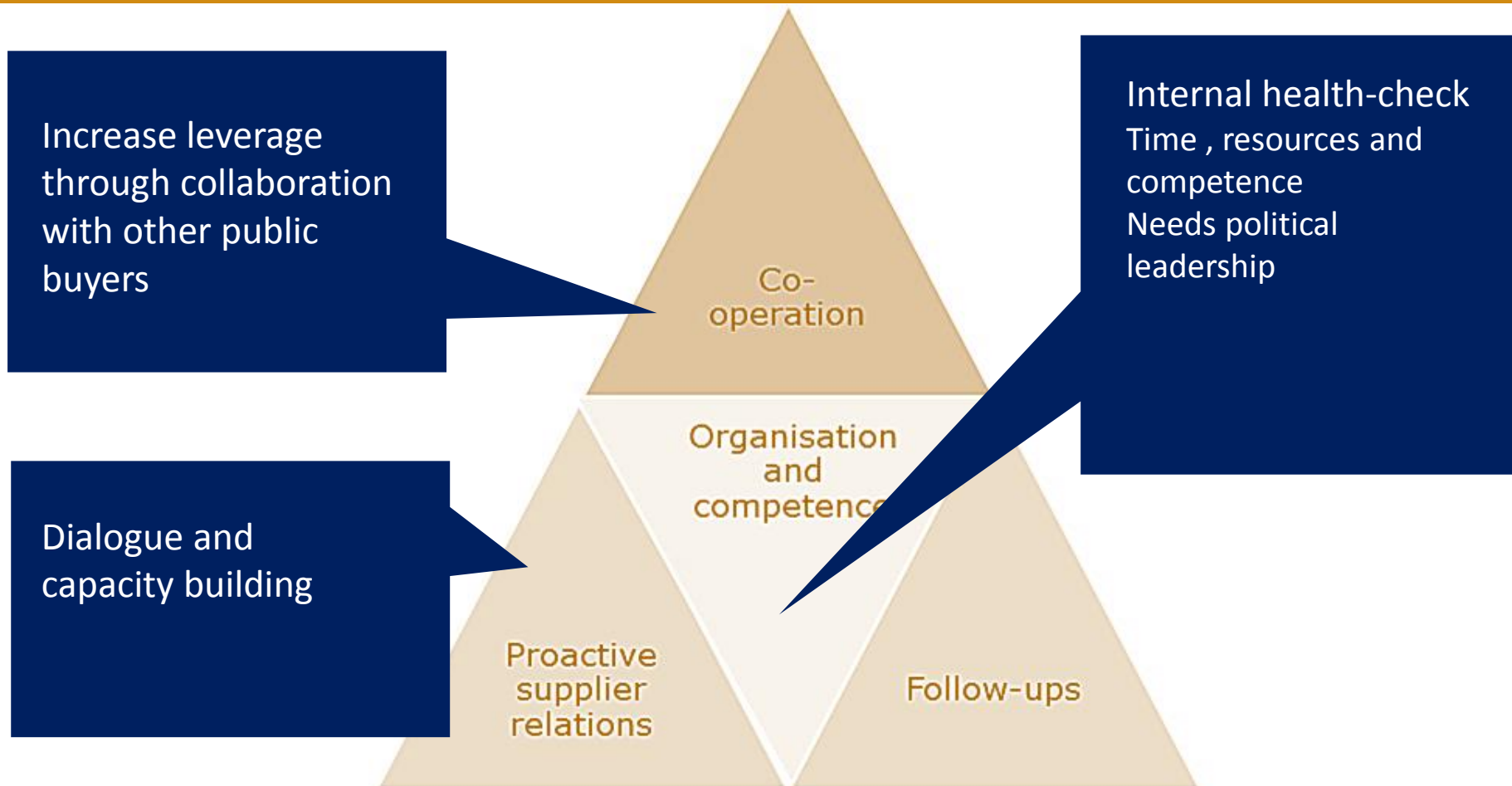


Sustainable procurement can make a difference



*"The Swedish county councils have made a significant contribution to the practice of human rights due diligence in global supply chains, and helped to increase the capacity of both its contractor, and IT reseller, and a global computer brand to manage their supply chains responsibly."
(Electronics Watch, 2016)*

Lessons learned



Sustainable public procurement makes a difference!

