



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 first edition of the International Working Group on Ethics in Public Procurement for IT started in 2021 and it continued with the second edition in 2022. It brought together leading European 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 best 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 exchanges between procurement and policy perspective,
- Connect key outputs to other relevant European and international work.

At its core, the group consisted of the following 27 committed members from 11 European countries, including Austria, Belgium, Denmark, Finland, Italy, Norway, the Netherlands, Spain, Sweden, Switzerland and the UK:

- Aktionsplan nachhaltige Beschaffung, Austria
- Federal Institute for Sustainable Development, Belgium
- SKI, Denmark
- City of Helsinki, Finland
- CONSIP, Italy
- Agency for Public and Financial Management (DFØ), Norway
- City of Oslo, Norway
- City of Stavanger, Norway
- Norwegian Hospital Procurement, Norway
- Ruter, Norway
- Category ICT Work environment Central Government, RVO, Netherlands
- IUC-Noord - Dienst Uitvoering Onderwijs Ministerie van Onderwijs, Netherlands
- Rijkswaterstaat, Netherlands
- Barcelona City Council, Spain
- City of Malmö, Sweden
- Region Stockholm, Sweden
- Swiss State Secretariat for Economic Affairs, Switzerland
- Greater London Authority, UK

They were recruited by the 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, the 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 teams 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. The Sustainable Economy and Procurement (SEP) team at ICLEI Europe is made up of ten procurement experts. The team has experience in capacity building, organising and moderating events, providing direct support and training across a range of product groups and topics with a specific focus on Sustainable Public Procurement (SPP).

Creating the working group and identifying priorities

In January 2022, the Secretariat invited public buyers across Europe to join the working group, based on the work achieved during the previous edition. 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. Here, a tailored questionnaire asked participants to provide information on their practices and experience on ethical procurement of IT 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 summarising report and a work plan for the year. The assessment clearly showed that the level of experience within the group varies, but the commitment towards ethical procurement of ICT was generally high.

The results of the needs assessment showed the group's main interest in the topics of labels, ethical batteries for electric vehicles (EVs), how to address exposure of workers to chemicals of concern, how to address working conditions at the end of life/re-use/disposal stage and effective due diligence. Therefore, the Secretariat aligned the work plan and its planned actions with the participants' interests.

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

- Workshop 1 - Focus on Human Rights Due Diligence
- Webinar on Using Certifications in the Procurement of ICT
- Workshop 2 - Ethical Batteries for Electric Vehicles

- Workshop 3 - How to Address Exposure of Workers to Chemicals of Concern in Public Procurement
- Workshop 4 - Working Conditions at the Re-use & Disposal Stage

The Secretariat organised and moderated the first three workshops and the webinar in an interactive online format, while the last workshop was held with a hybrid format in Brussels, Belgium.

Summary of workshops and activities

Workshop #1 - Focus on Human Rights Due Diligence

26 April 2022, 15:00-17:00 CET

Objective & Scope

The working group members were particularly interested in due diligence and human rights. Therefore, the first workshop focused on *Human Rights Due Diligence*.

The objectives of the workshop were, firstly, to understand the state of play of the EU legislation, as well as the direction the EU is taking towards improving due diligence and the protection of human rights in the near future. Secondly, to understand the social and environmental impacts of the electronics supply chain on local communities and human rights and environmental defenders and how to keep them into account while procuring ICT equipment. The workshop saw contributions from a representative of the European Commission, [Swedwatch](#), and from three of the WG members from the Category ICT Work environment Central government RVO, Rijkswaterstaat, and IUC-Noord who presented the Dutch approach towards due diligence.

Following a presentation and Q&A session, the open floor discussion aimed at encouraging exchanges, sharing of knowledge, expertise, good practices, and learnings.

Key outputs



Picture 1: Dion Beetsen

Generally, there was a strong interest on the topic of due diligence and human rights but not many members seemed to have good practices in place. The members believe that an increased harmonisation of the legislative process at the European level would help boost more socially responsible procurement practices, especially in such a delicate field as the one of ICT. The EU proposal on corporate sustainability due diligence was presented by

Anna Lupi, an European Commission representative from DG GROW, to ensure a better understanding of the future directive, which would cover companies operating in Europe, including those based outside the EU. The proposal aims to defragment the current legislative landscape in Europe. The members discussed the exclusion of SMEs in the proposal and the lack of specific obligations in public procurement. However, as the proposal is still under review, these elements might be included in the final version of the directive. Linda Scott Jakobsson, from SwedWatch, presented the impacts of the electronics supply chain on local communities and human rights and environmental defenders (HRED). As the extractive industry is identified as a high-risk sector, mining being the most dangerous for HRED, the impacts on local communities are increasing due to the continuous exploitation of natural resources leading to environmental degradations, water impacts, conflicts over land tenure, social disruption, and corruption etc. The members agreed that understanding and awareness are essential for procurers to include the right elements in their procurement documents.

Members are concerned about the fact that suppliers often ignore the level of due diligence required for their products' components and it seems to be extremely difficult for them to follow up on compliance with the contract. The problem is certainly multifactorial as it is not only related to the lack of knowledge; companies and suppliers are also concerned with negative publicity, which could harm their business. It is, therefore, important to provide a safe framework for sharing and improving practices. Another factor is related to resources: investigating the supply chain at a deeper level compared to the business as usual requires competent staff and time resources that not every company or public authority is willing to invest in. Members suggested that due diligence has to be good for business and for competition. Political commitment, especially when it comes to public authorities, is considered to be another extremely important factor. No clear solution has been found to solve the problem but suggestions ranged from including the factory level in the monitoring, to pushing companies to be more transparent and trying to include more companies which are willing to change their practices for the better.

The final presentation, given by Albert Geuchies (IUC-Noord), Davey Hazekamp (Rijkswaterstaat) and Johan Rodenhuis (RVO), explored the Dutch approach towards due diligence, which is since 2017 obligatory in procurement contracts. It is important to make use of vendors and resellers' knowledge and of the digital accessible dashboards (e.g. Ecovadis or Electronics Watch).

Currently, only a few members are including social clauses addressing due diligence in their tenders and no member is specifically addressing local communities and human rights and environmental defenders. Ideally, all public authorities should agree on a standard to demand to the market.

Lessons learned

- Align criteria with the [UN Guiding Principles on Business and Human Rights](#).
- Create follow up mechanisms which take local communities and HRED into account and have a solid monitoring system in place.
- Provide a safe framework for suppliers for sharing and improving practices on due diligence.

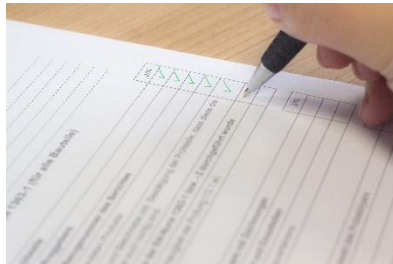
Webinar - Using Certifications in the Procurement of ICT Webinar

19 May 2022, 14:00-16:00 CET

Objective & scope

Members of the WG seem to rely quite often on the use of third party certifications while procuring goods and services, especially when purchasing ICT. The topic was already intensively discussed in the first edition of the working group (2021), however, given the strong interest in the topic, it was decided to further explore it. Representatives from [Fairphone](#) and [Ecovadis](#) contributed their expertise to the webinar. The event followed a presentation and Q&A session methodology.

Key outputs



Picture 2: Pixabay

Certifications hold an important role in public procurements, as they help procurers ensure they meet a number of international standards, among others to ensure workers' rights are respected. The contribution from Fairphone, given by Monique Lempers, allowed the members to learn about the company's history and theory of change, which focuses on raising awareness, setting an example and motivating the industry to move towards a more sustainable business model. Fairphone focuses on procuring fair materials, working with ethical manufacturers, extending the lifespan of their products, increasing reparability, reuse, and recycling. Fairphone relies on the use of certifications to ensure that their materials used do not cause harm, that more and better opportunities are created for miners and their communities, and that employees along the supply chains are involved in the making of their products. Robert Ekqvist explained in detail how Ecovadis' system works for procurers to help them better understand their internal assessment process. Ecovadis tries to address several relevant aspects for both procurers and companies, such as the supplier's environmental, social, and governance (ESG) risk and opportunity mapping, supply chain transparency and national due diligence regulations. Members, however, flagged that the use of self-assessment questionnaires for companies might not be

the most trustworthy tool to understand the transparency and sustainability of the companies affiliated to the platform.

Lessons learned

- Certifications are a very commonly used tool, however, members highlighted that they might not always provide a holistic view of all the stages of the highly complex ICT supply chain, leaving room for uncertainty and blind spots.
- Certifications can help procurers assess whether a supplier can meet their requirements. Yet, it can be challenging for smaller companies to get certain certifications. Certification systems need to strike a balance between trustworthiness and ease for companies to get certified.

Workshop#2 - Ethical Batteries for Electric Vehicles

3 June 2022, 10:00-12:00 CET

Objective & scope

Considering the growing demand for electric vehicles and, consequently, for electric batteries, the members of the working group wanted to explore the topic of *ethical batteries*.

The objective of the workshop was to better understand what approaches the market and the EU have been taking towards more ethical and sustainable products in vehicles and electronics. The workshop presented an overview of the new EU regulation proposal on batteries; with a contribution from [Electronics Watch](#) on their new [Low-Emission Vehicle Programme](#), and, finally, representatives from the City of Malmö and the International Trade Centre (ITC) presented their [Roadmap on Ethical Batteries](#).

The event followed a presentation and Q&A session methodology, with an open floor discussion at the end. Members were divided into breakout rooms, which aimed to encourage more in depth exchanges and discussion on the main challenges they face when procuring electric batteries for EVs and ICT.

Key outputs

The workshop saw the presentation of the upcoming EU regulation proposal on batteries, by Helena O'Rourke-Potocki (ICLEI), which would be the world's first sustainable battery law. The proposed legislation is based on the OECD's guidelines on ethical sourcing of batteries. It would tackle issues in the battery supply chain and should apply to all companies operating in the EU. It should include due diligence obligations on manufacturers and for sources of raw materials. However, there is no direct mention of public procurement. The members recognised the relevance of this piece of legislation, however, some consider it not ambitious or holistic enough, as it does not explore the concept of planetary boundaries and impacts on third countries.

The legislation is, however, only at the proposal stage, so amendments are still possible.

The contribution of Electronics Watch, given by Peter Pawlicki, focused on the presentation of their new Low Emission Vehicle Programme, (April 2022), which aims at mainstreaming their successful impact model to advance sustainable vehicle procurement as a systemic answer to the climate crisis. They consider electric vehicle batteries as part of an overall battery and electronic control system, which covers all use of minerals and electronic components. Over the next few years, the programme will focus on monitoring minerals, industry engagement, public buyer capacity development and civil society engagement. Some of the members of the working group also participate in the Low Emission Vehicle Programme, and therefore, were glad to see it presented. One interesting element is that the programme aims to develop tools for both ends of the spectrum concerning the length of IT and automotive's contracts: for short term contracts, they will focus on the development of procurement criteria, while for long term contracts they will explore the development of new contract management processes.

Finally, representatives from the City of Malmö, Olov Källgarn, and the ITC, Petra Walterova, presented their roadmap on Ethical Batteries. They analysed issues related to the sector's value chain, worked on creating an overview of sustainability standards and initiatives in the battery value chains, addressing potential trade diversion and promoting transparency. Some of the main risks associated with electric batteries are found to be associated with carbon emissions of the mining and refining of battery materials/battery cells. The mining process is quite often associated with environmental, social, and governance issues, including child labour, and very limited transparency. Furthermore, current recycling methods are associated with environmental and social impacts: for instance, lithium is not processed in a sustainable manner and it is often handled in developing countries which often lack appropriate recycling infrastructure.

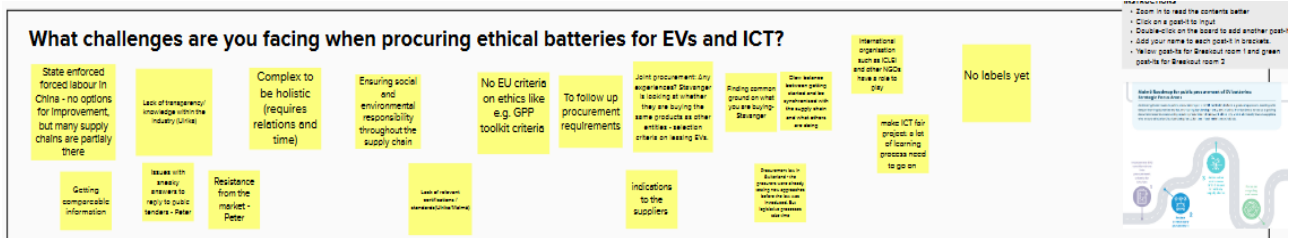
To this day, ethical electric batteries and an ethical battery third party label do not exist. This makes procurers' job significantly harder to include ethical and social aspects in their tenders when purchasing or leasing electric vehicles or any type of ICT, which all include an electric battery. At the time of the workshop, no criteria were available for procuring ethical electric batteries either. Members seemed not to have enough resources to implement a follow up scheme for their requirements in the tenders. It was common understanding that it is quite rare as it requires time and resources that most public authorities do not have or cannot allocate.

The most common obstacle procurers agreed on was the suppliers' lack of knowledge concerning the supply chains of their products, making it extremely hard to push the market towards a more ethical way of procuring goods and services. Members'

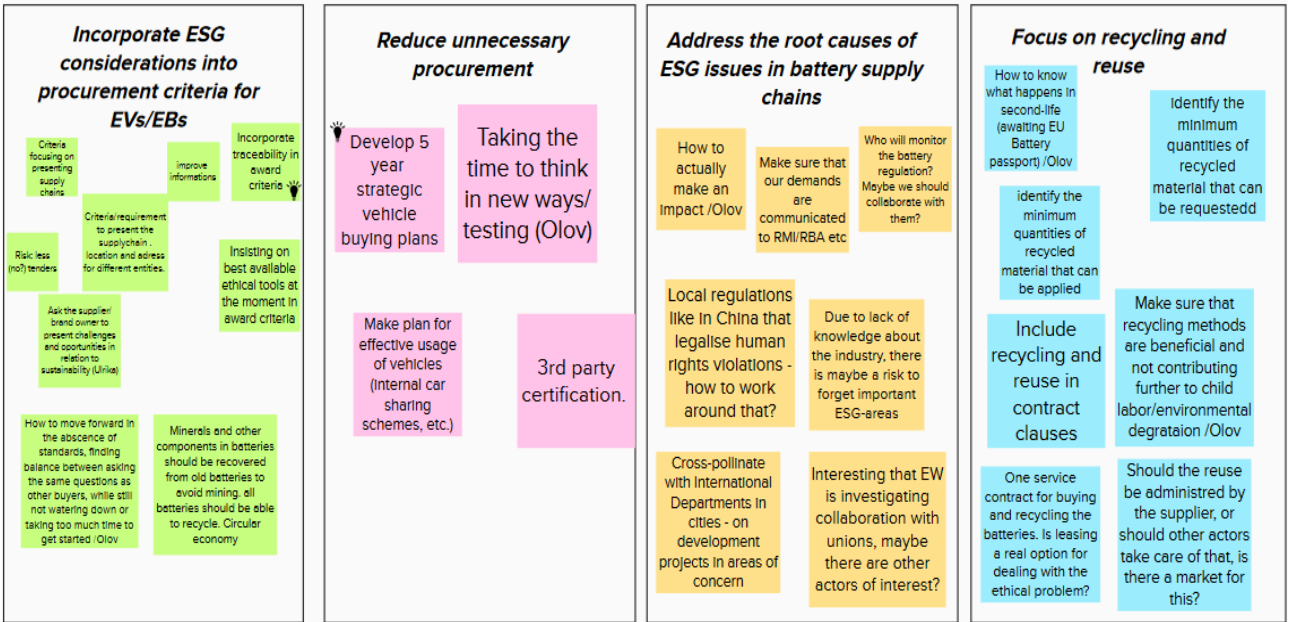
concerns were often related to the idea that more ethical products mean more expensive ones, which is a factor that cannot always be justified internally. However, Malmö's experience showed the main obstacle does not concern costs or limited budget but rather market availability. Members agreed that finding the right balance between getting started and being synchronised with the market is also a common problem.

During the event, participants were put into breakout rooms to discuss the main challenges they face when procuring electric batteries for EVs and ICT and think of concrete ways to address the four strategic focus areas included in Malmö's roadmap: 1) incorporate environmental, social and governance (ESG) considerations into procurement criteria for EVs/Electric batteries (EBs), 2) reduce unnecessary procurement, 3) address the root causes of ESG issues in battery supply chains and 4) focus on recycling and reuse.

The following table provides a snapshot of the members' contributions.



Considering Malmö's ambitious roadmap on Ethical Batteries, how would you concretely address the 4 strategic focus areas included in the roadmap? Include your ideas for action, flag any potential risks and possible mitigations measures.



Picture 3: Mural made by the participants on their main challenges on the topic and potential risks/mitigation measures

Lessons learned

- It is essential to speak with a unified voice to really push the market. Procurers can push the market if they are ambitious with their market research, tender specifications, and contract follow-up. However, enough volume and buying power are needed to do it.
- It is important to procure more sustainably and only what is strictly needed, by avoiding unnecessary purchases.
- Putting in place a follow up scheme is important to hold suppliers accountable.
- Fair Trade offices, Ethical Trading Initiatives, and national organisations can help with criteria setting and improving public authorities' current practices.

Workshop #3 - How to Address Exposure of Workers to Chemicals of Concern in Public Procurement

13 September 2022, 10:00-12:00 CET

Objective & scope

The third workshop of the year sought to identify means of addressing *Exposure of Workers to Chemicals of Concern in Public Procurement*. Chemicals of concern are a relevant topic as ICT products are composed of many different materials and components, all including chemicals, some of which might be added during the production phase. Chemicals can present environmental, social, and health hazards, especially when considering the often overlooked exposure of workers throughout the supply chain. Members of the working group were keen to investigate the topic. Therefore, during the event the draft guidance on '[Sustainable Procurement of Electronics: A Progressive Approach to Chemicals of Concern](#)' was presented, followed by a contribution from the [European Environmental Bureau \(EEB\)](#) on hazards in the electronics value chain.

Following a presentation and Q&A session, an open floor discussion aimed at encouraging exchanges, as well as sharing knowledge, expertise, good practices, and learnings.

Key outputs



Picture : Pixabay

The members started the event with an exercise, which involved naming key words they would associate with chemicals of concern. The choice of words came with a very negative connotation as they were mostly associated with danger and risks, lack of transparency and guidance, health and societal issues. It was pretty evident that the procurers deeply cared about the topic and wanted to be sure they addressed this in their daily

work. The draft guidance on ‘Sustainable Procurement of Electronics: A Progressive Approach to Chemicals of Concern’, prepared by ICLEI – Local Governments for Sustainability for the [United Nations Environment Programme \(UNEP\)](#) and the [GEF-SAICM](#) Secretariat, was presented by Philipp Tepper (ICLEI), as it addresses the role that sustainable public procurement (SPP) can play in managing chemicals of concern in electronics and electrical equipment procured by public authorities. It presents guidelines for general practice, criteria, and steps divided in three phases according to the experienced level of the practitioners. At the time of the presentation, the guidance had not yet been published but it is now available. Members acknowledged the relevance of the document, however, they pointed out that the guidance does not address the problem of the chemicals of concern included in products that are already in the market.

The second presentation, given by Jean-Pierre Schweitzer, a representative of the European Environment Bureau (EEB) focused on hazards in the electronics value chain. A few points were flagged during the presentation, starting with a lack of inclusion of social aspects in the GPP criteria of ICT promoted by the EU, together with extended focus on recycling but little cover on chemicals in the circular economy approach. The members agreed that it is hard to include this aspect in their procurements because legislations differ depending on the country, and, additionally, within EU law the focus is on the final product. Almost no attention is paid to the manufacturing and production processes, which are phases where a high level of toxicity is found and they profoundly lack transparency.

Dialogue with the market was agreed to be a very relevant point to start demanding change and more data. Simplifying the language used by procurers was also found to be a common suggestion, as complicated language and data tend to disengage suppliers. A few members agreed that having a product passport could be a potential solution. Certifications seem to be the most common tool used by members of the working group to purchase ICT and set a minimum standard for their purchased products (e.g. TCO).

“Public procurement should be used more strategically, especially when it comes to chemicals. Challenge the suppliers to show transparency and how they manage this risk. They know more than they say. It has to be good for the business” Quote from participant

Lessons learned

- Compliance with national and international legislations is extremely important.
- It is important to push for safer substitutes.
- Public authorities should encourage a reduction in the use of chemicals of concern through more sustainable design and production.

- Create a dialogue between procurers and suppliers. It has to be good for business. Keep track of the process to measure change and impact.

Workshop #4 - Working Conditions at the Re-use and Disposal Stage

14 October 2022, 10:00-12:30 CET

Objective & scope

E-waste is rapidly growing nowadays and often not enough attention is paid to the social implications it can have. Although e-waste can still be partly recycled, not all parts can, as they contain hazardous substances which can pose a great risk not only to the environment, but to the workers involved in the disposal and reuse stages of the ICT supply chain. The WG members expressed interesting in the topic, therefore the last workshop explored the *working conditions at the re-use and disposal stage*, with contributions from the [International Labour organisation](#) (ILO), the [International Telecommunication Union](#) (ITU), Rijkswaterstaat and the Belgian [Federal Institute for Sustainable Development](#) (FIDS).

The event followed a presentation and Q&A session methodology, with an open floor discussion which aimed to encourage exchange and sharing of knowledge, expertise, good practices and learning experiences.

Key outputs



Picture: Pixabay

The event started with a presentation from Shreya Ashu Goel, a representative of the ILO, who explained the work the organisation does to advance decent work in the management of e-waste. Members discussed the relevance of the topic and the importance for EU countries to start producing less e-waste and processing it in their own countries, instead of shipping it to other countries, where infrastructures do not ensure workers' rights are respected. They suggested closing the loop should be countries' number one priority. Compensation for e-waste was not considered to be a solution. However, addressing decent work challenges, such as workers' rights, child labour, discrimination and poor and unsafe working conditions in such highly complex supply chains is extremely complicated, especially if considering the links with the informal value chains/sector there are in many countries that manage e-waste (e.g. India), which includes several actors and multi-directional flows.

The second contribution came from John Watt, a consultant for the ITU, who presented the work on the upcoming ITU recommendations, standards and guidance for sustainable ICT procurement. ITU strongly believes that public procurement of ICT can mitigate the adverse effects of e-waste, and, among other factors, it can maximise

usable life and minimise e-waste of ICT products. A mini-consultation followed the contribution, aiming to receive relevant feedback to be included in the upcoming recommendation and material. The most relevant questions focused on the main sustainability priority for the members' next ICT procurement and on the main implementation gaps for addressing e-waste through public procurement. Members' replies varied depending on their specific national situations. Yet, there was an agreement on the ambition to increase the target for social innovation and sustainability in future initiatives and procurements, by giving more attention to due diligence, setting up more dialogue with suppliers, improving traceability of e-waste, and trying to procure products with a longer lifespan.

The last contribution came from representatives of Rijkswaterstaat Marieke Weerdesteijn, and FIDS, Jo Versteven, who presented the Circular & Fair ICT Pact (CFIT), the international procurement-led partnership which integrates the international WG on ethical procurement of ICT. The final workshop rounded up the work over the last two years and the members contributed with their feedback on how CFIT can help support the work of the members and public authorities in Europe. Members suggested the CFIT facilitates the translation of the main Dutch relevant documents into English, such as criteria for category groups and good practices and help set exchange programmes for different fields of expertise.

Lessons learned

- Public authorities must respect international labour laws and regulations in their procurement, to make sure they play their part in making sure workers' rights are implemented.
- Public authorities have the duty to implement coherent policies, strategies and measures to collect data, raise awareness on the topic, and start dialogue with suppliers to enable a favourable environment for more companies that pay attention to the social implications of e-waste management.
- Public authorities need to push for increased investment in waste management infrastructure and systems at all levels, to avoid including the informal sector in e-waste management.

Recommendations for future work

Considering the working group's experience during the two editions of this initiative (2021 and 2022), with a particular focus on the exchange in the five online sessions of 2022, the following recommendations are given for future work:

- Being part of the international working group has been considered a positive experience for the members, enabling them to deepen their knowledge on the topic and improve their day-to-day practices. Sharing good practices, positive and negative experiences, and learning from each other and from the experts' inputs is what members found to be the most valuable sides of their membership.
- Most of the members expressed their willingness to dedicate their resources to be part of such working groups. However, resources are limited and therefore, a will was expressed to harmonise all existing initiatives, both international and European (e.g. International Working Group on Ethical Public Procurement, Big Buyers for Climate and Environment, One Planet Network Sustainable Public Procurement etc.), to limit fragmentation in the field and have a stronger influence in the market. If a full harmonisation is not possible, it is important that communication improves among similar initiatives, especially related to common issues and challenges.
- Joint procurements in the field are still not considered feasible, internationally, especially because of perceived differences in national procurement regulation. However, there is a clear will from the members to continue working on making procurement criteria and contract clauses more harmonised and usable in different national and international contexts.
- The voluntary GPP criteria provided by the European Commission do not offer solutions for the social implications the field of ICT has. It was suggested the updated version of the criteria include also social clauses and not only environmental.
- Provide public procurers with more concrete and harmonised tools they can use during their day-to-day practices (e.g. specific criteria, specifications and clauses).
- Providing a common space for exchange and networking among procurers and experts of ICT that include direct tender advice possibilities would help the community to continue addressing ethical and social issues in public procurements.