



# PROTECTING HUMAN RIGHTS IN GLOBAL SUPPLY CHAINS THROUGH PUBLIC PROCUREMENT

Karin Lonaeus  
Sustainability Strategist  
Swedish National Secretariat for Sustainable Public Procurement  
[karin.lonaeus@sll.se](mailto:karin.lonaeus@sll.se)

# 21 County Councils and Regions

Procure goods & services to the amount of EUR 13 billion

National collaboration to promote sustainable development through public procurement:

- ✓ 1 code of conduct
- ✓ Division of responsibility for follow up
- ✓ Sharing information and audit results
- ✓ Joint procedures
- ✓ Joint financing 0,04 EUR/habitant

Collaboration also with:

- 290 Municipalities
- National Agency for public procurement
- Norwegian purchasing organization
- UNDP, NHS



# Why sustainable public procurement?



“States should promote respect for human rights by business enterprises with which they conduct commercial transactions.”

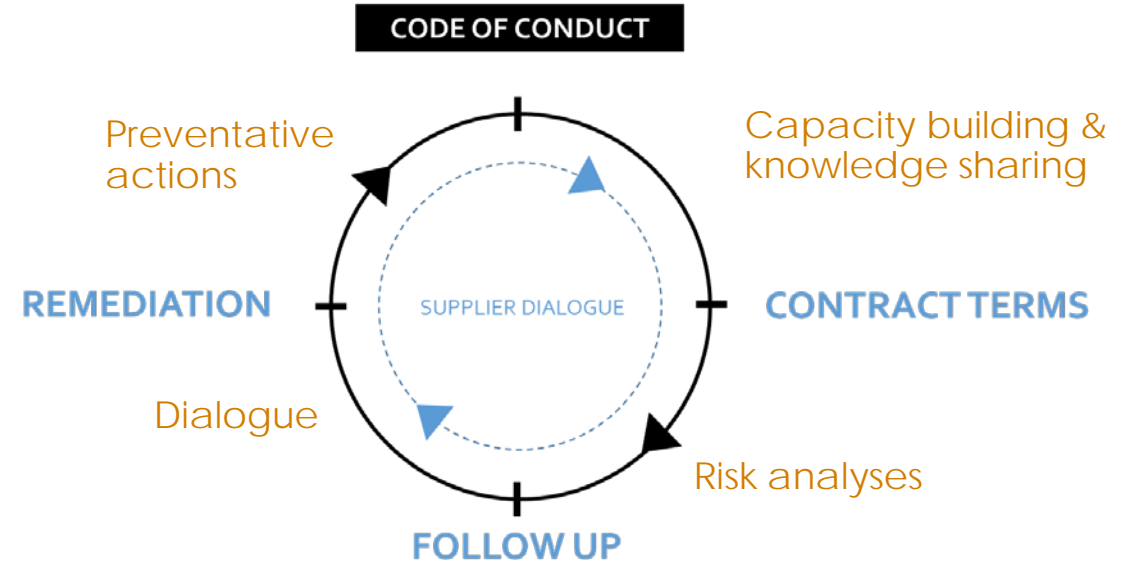
**UNGP 6**

“Promote public procurement practices that are sustainable, in accordance with national policies and priorities.”

**SDG 12.7**

- Responsibility to protect human rights
- Opportunity to influence the market and create a demand for sustainable products and services
- Risk management – reputational/economic risk,
- Encouragement/obligation to consider environmental and social impact in PP – legal frameworks in EU, Sweden

# What is sustainable public procurement?



**Environment**

**Workers rights**

**CODE OF CONDUCT FOR SUPPLIERS**

**Human rights**

**Anti-corruption**



# How does it work in practice?

“In order to meet their responsibility to respect basic human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances”

## Contract terms

- Policy commitment
- Communication and forwarding requirements
- Internal division of responsibilities
- Assessment of human rights
- Tracking & monitoring
- Remedy



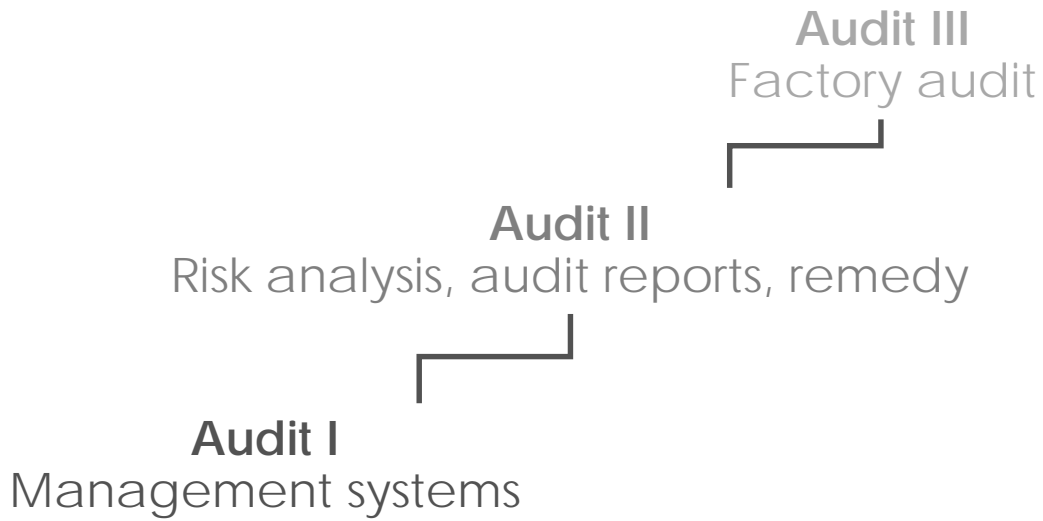
**Goods and services that are supplied to the Swedish County Councils should be produced under conditions that are compliant with:**

- The United Nations Universal Declaration of Human Rights (1948)
- The Eight Fundamental Conventions of the International Labour Organisation, no. 29, 87, 98, 100, 105, 111, 138 and 182
- The United Nations Convention on the Rights of the Child, Article 32
- The labour protection and labour environment legislation in force in the country of production
- The labour law, including legislation on minimum wages, and the social welfare protection regulations in force in the country of production
- The environmental protection legislation that is in force in the country of production
- The United Nations Convention against Corruption



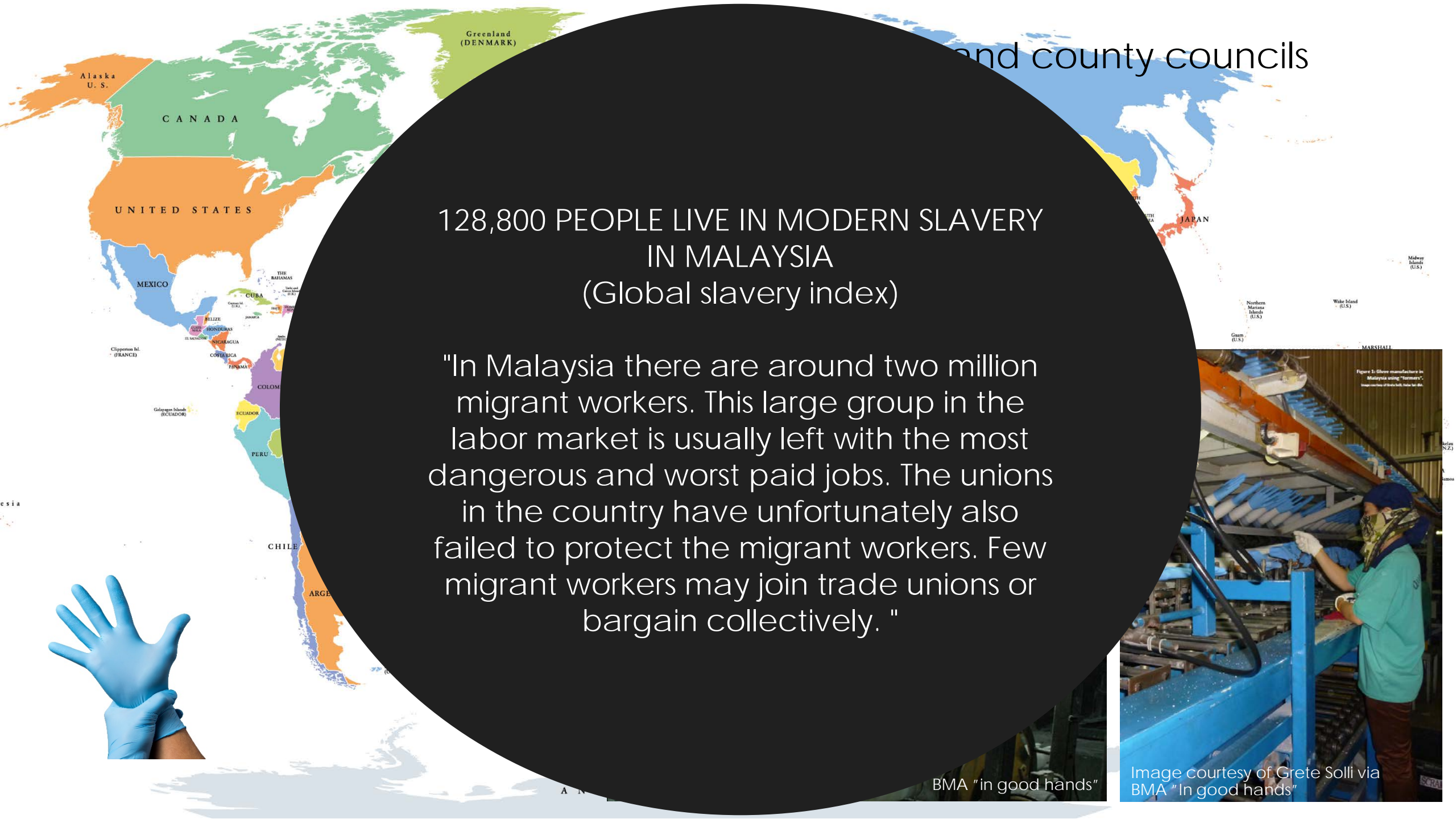
Follow up is key!

Corrective actions  
=  
Sustainable development





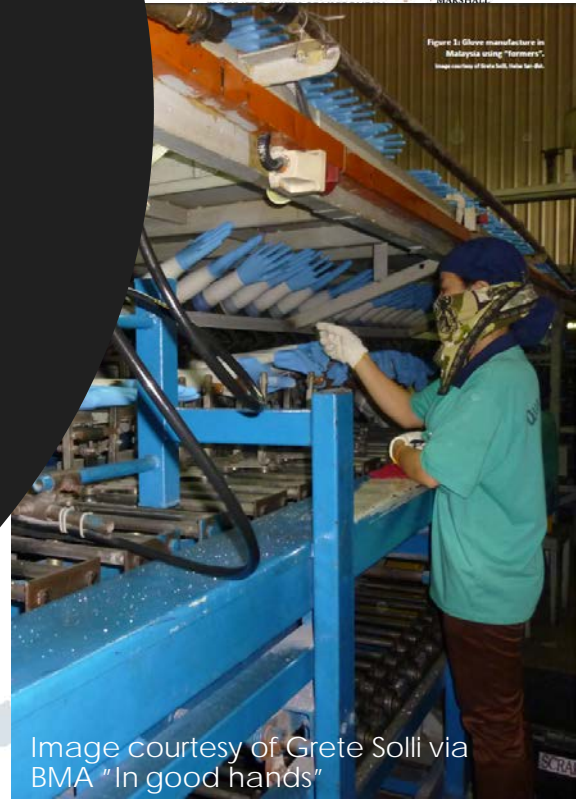
# CASE: DISPOSABLE GLOVES



and county councils

128,800 PEOPLE LIVE IN MODERN SLAVERY  
IN MALAYSIA  
(Global slavery index)

"In Malaysia there are around two million migrant workers. This large group in the labor market is usually left with the most dangerous and worst paid jobs. The unions in the country have unfortunately also failed to protect the migrant workers. Few migrant workers may join trade unions or bargain collectively. "



BMA "in good hands"

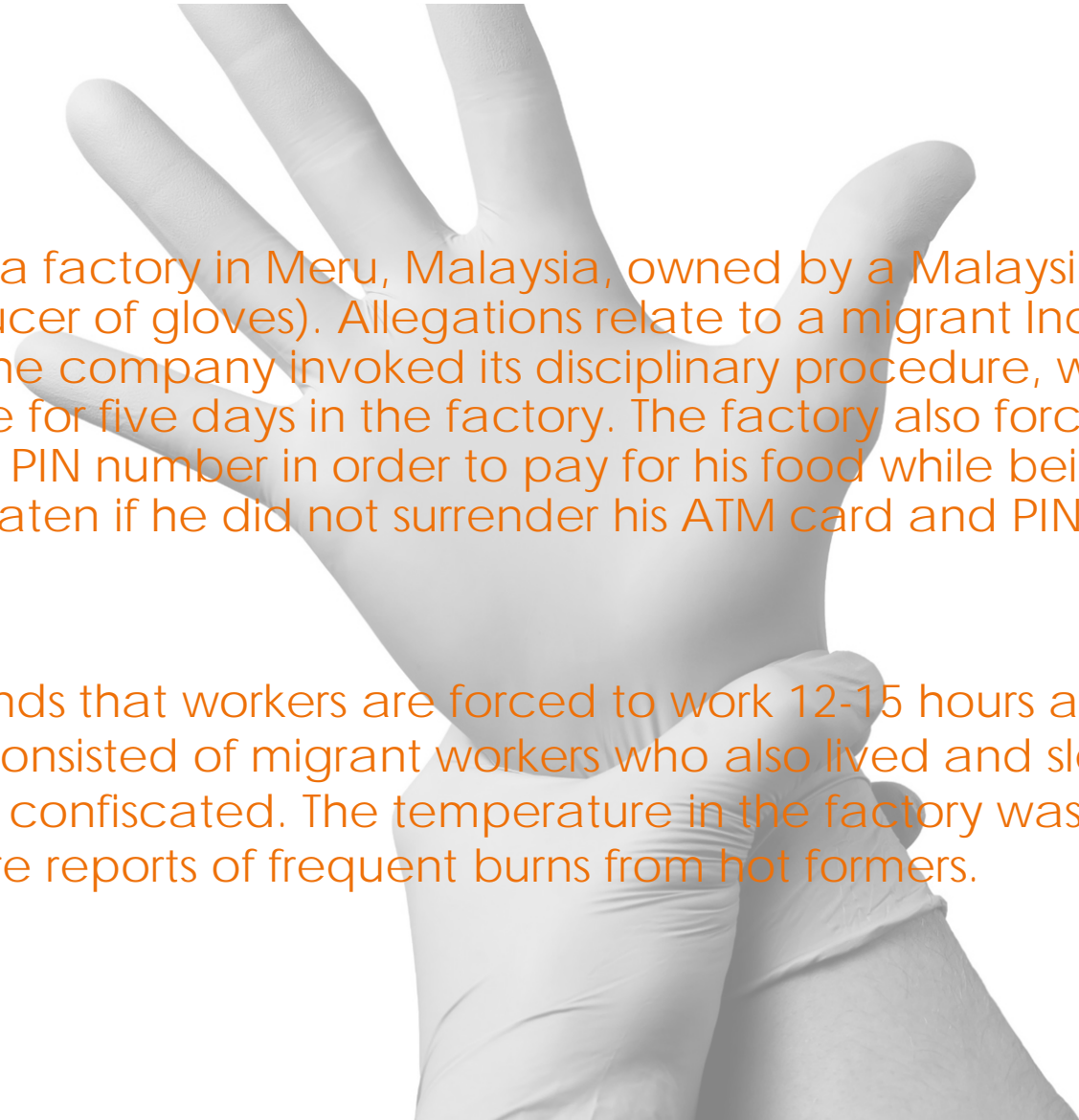
Image courtesy of Grete Solli via BMA "In good hands"

Reports on sub-standard working conditions in glove factories in Malaysia

Dialogue with supplier and factory audit

Actions for short term and long term improvements

- Alleged serious mistreatment of workers at a factory in Meru, Malaysia, owned by a Malaysian company (one of the world's largest producer of gloves). Allegations relate to a migrant Indian national employed at the factory, where the company invoked its disciplinary procedure, which comprised forcibly detaining the employee for five days in the factory. The factory also forcibly removed the employees ATM card and his PIN number in order to pay for his food while being illegally held and was told he would be beaten if he did not surrender his ATM card and PIN.
- Norway visits the factory in Malaysia and finds that workers are forced to work 12-15 hours a day, up to 30 days in a row. 90% of the workforce consisted of migrant workers who also lived and slept at the factory. Workers' passports were being confiscated. The temperature in the factory was measured at 40-50 degrees, and there were reports of frequent burns from hot formers.



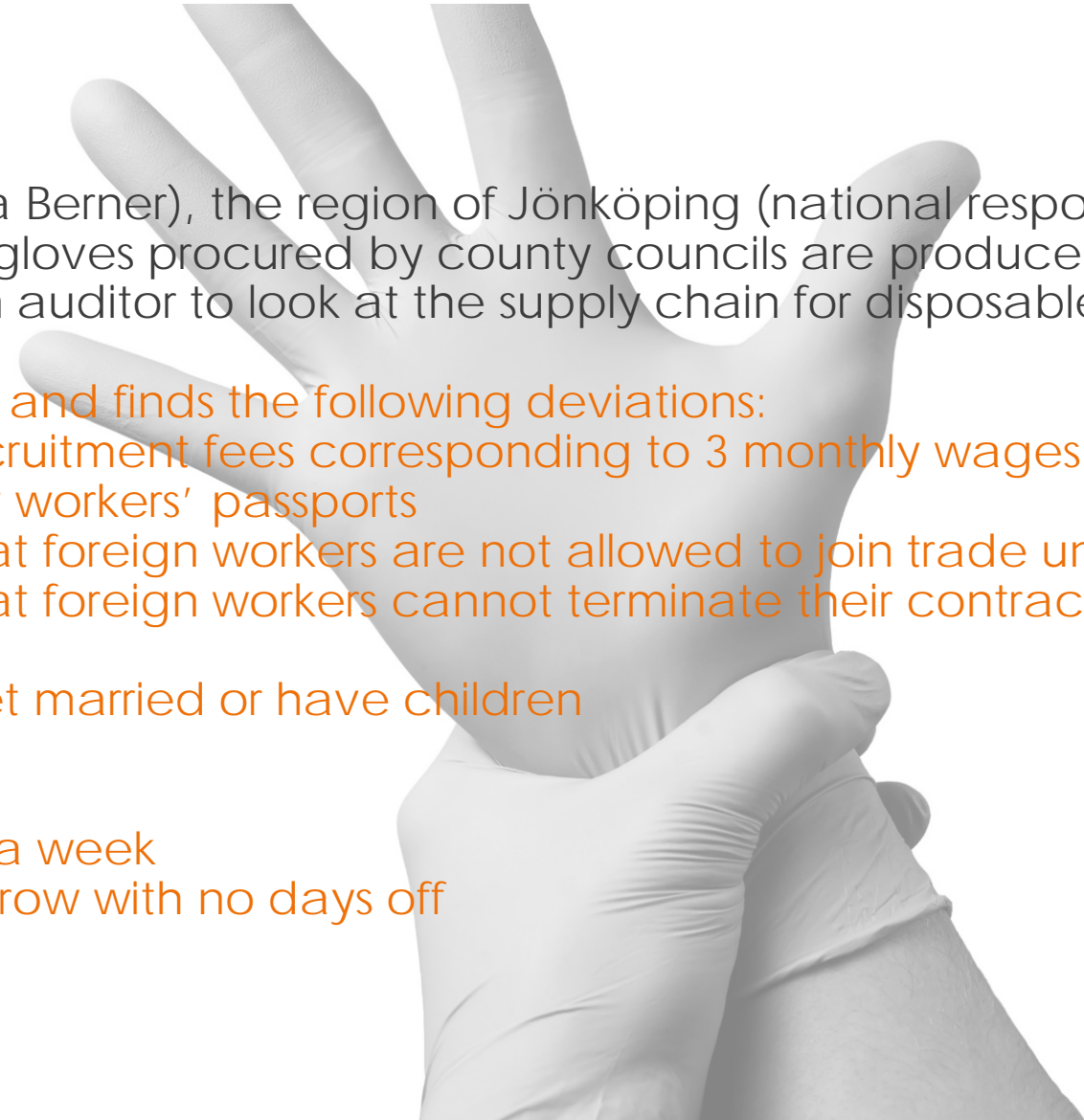
Reports on sub-standard working conditions in glove factories in Malaysia

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Through dialogue with the supplier (Bröderna Berner), the region of Jönköping (national responsibility for risk area gloves) is informed that disposable gloves procured by county councils are produced by Ansell in Malaysia. The region of Jönköping hires an auditor to look at the supply chain for disposable gloves.

- The auditor audits the factory in Malaysia and finds the following deviations:
  - Migrant workers are forced to pay recruitment fees corresponding to 3 monthly wages.
  - The employer confiscates the migrant workers' passports
  - Employment agreements stipulate that foreign workers are not allowed to join trade unions
  - Employment agreements stipulate that foreign workers cannot terminate their contracts without a specific reason
  - Foreign workers are not allowed to get married or have children
  - Fire hazards in factory residences
  - Mandatory overtime
    - Workers had worked 140 hours in a week
    - Workers had worked 45 days in a row with no days off



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Actions for short term and long term improvements

Region Jönköping

- Swedish Regions and county

Bröderna Berner

Ansell

Factory

Next step: audit management systems to ensure efficient due diligence – **responsibility as contractor!**

- Dialogue ITUC - International Trade Union Confederation
- Supplier Dialogue
- Orders re-audit
- Does **not** terminate contract
- Internal health check
- Dialogue around traceability
- "Middle-man"
- Prepares corrective action plan with support from CEO
- Establishes new procedures in dialogue with stakeholder
- Enters into partnership with labor organizations (SEDEX, BSR)
- **Establishes new policy that the employer will from now assume all recruitment fees for migrant workers**
- Starts program to support employment of more women on the production line to address gender inequality
- Non-compliances are managed and corrected
- At re-audit in 2015, it is found that 21 out of 23 non-compliances have been closed



Public Procurement and Human Rights Due Diligence to Achieve Respect for Labour Rights  
A Case Study of the Swedish County Councils and the Dell Computer Corporation!  
February 2016

"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)

# SUSTAINABLE PUBLIC PROCUREMENT MAKES A DIFFERENCE!

Karin Lonaeus  
Sustainability Strategist  
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