

ATEA SUSTAINABILITY FOCUS

March 2025



Focus on people

The path to living wages



It's time to focus on the people

THE ATEA SUSTAINABILITY FOCUS (ASF) initiative has since 2017 facilitated Nordic Buyers to share their insight with the industry on how to advance sustainable transformation. In this year's report the ASF Advisory Board deems that it is high time to focus on the millions of people all over the world involved in the production of IT products. How can we best collaborate to ensure decent pay and fair working conditions in our supply chains? The issue is complex. How is a living wage defined? How is it implemented? How is it verified?

ASF Advisory Board recognizes that advancing social sustainability throughout the supply chains is a shared responsibility. As a first step, the industry, through the Responsible Business Alliance, is asked to produce a roadmap for the implementation of living wages, including guidance for buyers.

Key recommendations

To the Responsible Business Alliance

- Involve buyers and other relevant stakeholders in the ongoing work
- Build awareness among members through training
- Set clear expectations on members

To brands

- Show the way by sharing best practices
- Be transparent

To buyers

- Create a common basis for including living wages in purchasing practices
- Build awareness and share best practices

Nordic buyers want effective tools

The recommendations presented in this report build on extensive dialogue with the Nordic market. That makes the outcome a valuable indicator for the global IT industry. Main findings involve requests for comprehensive and simple solutions to aid buyers' sustainable purchasing ambitions. The importance of internal alignment is also highlighted as an essential tool for buyers to realize the full potential of sustainable procurement.

Exploring the complexity of standards

These requests are further investigated in the Industry Analysis that is based on both expert interviews and desk research. The analysis takes a deep dive into the complex landscape of standards, ecolabels and certifications that aim to aid sustainable choices. Varying verification processes, differences in philosophy and approach as well as overlaps and sub-optimizations makes it challenging to assess the credibility and relevance. Suggested solutions to facilitate the understanding of what is sustainable decision-making are consolidation and unification of disparate standards as well as increased transparency and added input from buyers on multi-stakeholder platforms.

Purchasing practices fly under the radar

The Industry Analysis also investigates responsible purchasing practices and the importance of fostering a culture



Atea Sustainability Focus provides the IT industry with valuable insights of the expectations and preferences of the Nordic market as well as recommendations on how to address urgent sustainability issues. The recommendations are crafted by the ASF Advisory Board consisting of representatives from leading Nordic public and private companies with a background in IT, sustainability or purchasing.



It is high time to focus on the millions of people all over the world involved in the production of IT products

of co-operation and partnership with suppliers. A study of six major IT brands from different parts of the supply chain shows that best practices in this area are only applied to some extent, but also that public disclosure of these topics is limited. The reasons for this are discussed, but the strong value chain focus of laws like the CSRD and CSDDD indicates that the pressure on brands on this topic will increase.

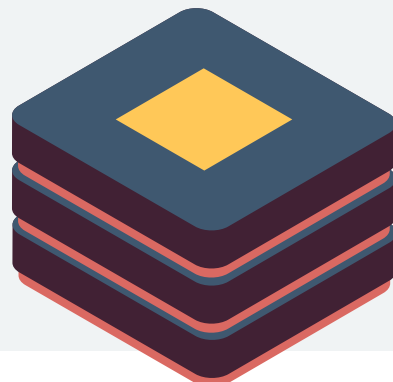
We see progress but it's slow

One central part of the ASF is following up on the industry's progress on previous reports. Although positive change overall is slow, there are some promising steps in line with previous recommendations, such as the initiative from the RBA on supply-chain mapping, and the Circular Electronics Partnership's circular design guide.

While the challenges remain, we continue to see actions that are moving the industry in the right direction. This encourages us to keep developing the ASF initiative, with the goal of uniting stakeholders and collectively realize the true concept of *value chain*. ■

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A Bridge Builder

THE GREATNESS OF ASF is our clear focus on collaboration and the aim to find mutual solutions to share responsibilities, unite stakeholders and jointly recognize the true concept of *value chain*.

Our work is driven by the high ambitions of the Nordic market to gather the people and forces needed to solve the great challenges of the IT industry. Buyers' expectations are communicated to industry actors that have the ability to drive change and to understand the value of stakeholder input. In return, buyers get guidance from the industry on how to best support the transformation, creating a virtuous circle that everyone benefits from.

The strength of the concept is well expressed by Rob Lederer, CEO of the Responsible Business Alliance (RBA), the recipient organization of this report.

"The RBA greatly values the trust that ASF and the Nordic buyer community have placed in us, and we appreciate the constructive insights gained through our partnership¹."

The first ASF report made in 2017 centered on Transparency. Since then, other focus areas have been circularity and climate. Even though these issues are far from solved – and worrying developments in areas such as energy demand and e-waste are still underway – the Advisory Board felt it was time for a report that puts people in the center.



Camilla Cederquist
Manager
Atea Sustainability Focus

There are about 21,5 million people involved in the manufacturing of IT products. In reality, there are many, many more as this figure relates only to the direct employees of RBA members². Making sure that employees have fair and decent working conditions is one of the main challenges for actors further down the supply chain. We put our faith in management systems, codes of conduct and audit protocols, but we can and should never forget that behind these instruments are real people, many of whom struggle to provide for their families.

This year's theme, living wage, not only directs our focus to these people, but it also builds nicely on last year's report, *Scaling Impact*, that emphasized the concept of shared responsibility. It's time to acknowledge that each and every one of us that buys, uses, or manufactures IT products is part of an ecosystem that can foster a deeper connection with the people in the supply chain and create new, innovative ideas on how to ensure better welfare for all. One such idea that particularly resonated with me is the Code of interdependence that is mentioned in the industry analysis.

The 2024 report took stock of what has been achieved so far, and tried to find the best path forward by identifying some success factors like:

Read more
on p. 16.

¹ ASF report 2024, "Scaling Impact"

² <https://www.responsiblebusiness.org/about/rba/>

- Sharing (responsibility, information)
- No “we and them”-thinking
- Capacity building
- Large-scale action

The living wage theme of this report is a result of that. The Advisory Board invites the industry (the RBA and its members) to create a roadmap for the implementation of living wages that outlines the responsibility of all stakeholders. To succeed, all the success factors mentioned above are required.

Building on the previous report, we will continue to develop the ASF concept to improve the conditions for impact. Going forward, one main ambition is to strengthen our work with implementation and uptake in the industry. We are biased of course, but we believe there is so much value in the reports that each of them can form the basis of many new, collaborative projects as well as individual action. This means spreading the message to relevant industry actors, cultivating the critical and fruitful relationship with the RBA and strengthening the link to the buyers.

ASF is committed to continuing to build bridges to help the industry and the buyers address these challenges together. ■



CAMILLA CEDERQUIST
Manager
Atea Sustainability Focus



The RBA greatly values the trust that ASF and the Nordic buyer community have placed in us, and we appreciate the constructive insights gained through our partnership.

ROB LEDERER

CEO of the Responsible Business Alliance (RBA)



The ASF reports 2018–2025. The themes have addressed all major sustainability challenges for the IT industry.

Living wage – we can make it happen

THE SUPPLY CHAINS of IT products involve millions of people from all over the world. Many are located in countries with weak institutions and poor protection of labor and human rights.

Unfair or insufficient pay is a major issue in the supply chains of IT products. For actors further downstream, it is also an issue that has been hard to address due to supply chain complexity, lack of standards and low transparency. That, however, should not keep us from trying.

Living wage – ensuring an income level that allows individuals or families to afford adequate shelter, food, and other life necessities³ – can provide security and a hopeful future for the most vulnerable and contribute to thriving communities along the IT supply chains.

The concept has been on the agenda for many years and is also a focus area for the United Nations through the work done by the International Labour Organization (ILO)⁴. Still there has been little progress. Why? Partly due to the complexity of the issue. How do you define a living wage?

³ <https://www.weforum.org/stories/2024/04/ilo-living-wage-explained/>

⁴ <https://www.ilo.org/resource/other/question-living-wages>

ASF Advisory Board

Annika Ramsköld

Head of Sustainability,
Vattenfall

Cristian Brolin

CDO,
Södra Skogsägarna

Maria Færgemann Eg

Sustainability Lead,
Nordea

Michele Cavaioni

IT project manager,
Northvolt

Tom-Kenneth

Fossheim

Global IT Director,
StormGeo

Thomas Briggman

Sustainability leader,
Ikea

Per Söderberg

Policyrådgivare,
Svenska Kyrkan

Ylva Svedenmark

Sustainability strategist,
Adda

How do you implement it? How do you verify it? But also due to lack of demand. We, the buyers, have not taken our full responsibility to ensure decent pay and living conditions for the people making the products we rely on for our business operations. This must change.

We therefore want to explore how we can implement living wages in our IT supply chains. The timing has never been better. There is pending legislation that has a strong value-chain emphasis and puts people in focus. Industry actors, through the RBA, are collecting data to create benchmarks and define thresholds. The RBA has made considerable efforts to gather their members around this issue, and there are good examples from other industries to build on.

IN RECENT YEARS, much focus has been on environmental and climate aspects, and it is here we have seen the most progress. Focusing on the social impacts of IT manufacturing is long overdue, but we buyers have struggled to find a way to drive impactful change.

Building on the concept of shared responsibility, which was central to the previous ASF report “Scaling Impact”, we invite the industry to work with us to make living wages a reality. We commit to developing purchasing practices that



reward progress on this matter and to make all our knowledge available to support the implementation. We understand and accept that this change may come at a cost. In return we ask to be involved in the discussions the industry is currently having and to get access to data that will enable us to make informed decisions. We want it to be clear that we regard the implementation of living wages to be a common challenge – one that we need to solve together, but this requires the involvement of all relevant stakeholders.

Through an open discussion on living wages, the complexities, the challenges, and what the implementation actually would require, we can bring this issue forward.

For us, the buyers, focusing on living wages is part of the wider effort to improve working conditions in the supply chain. Therefore, we see living wages as a starting point for other types of data sharing as we all want to advance social sustainability in the supply chains.

Together we can make living wages happen. The stakeholder engagement is there. The data is there. Let's do it. ■

Recommendations to the Responsible Business Alliance

1. Overarching recommendation:

By the end of 2025 produce a roadmap for the implementation of living wages

- The roadmap should include milestones such as setting a baseline, including living wages as a topic for the next Code of Conduct update, and developing voluntary guidelines for members.
- Involve relevant stakeholders. The Advisory Board is willing to contribute.
- Start by tier 1 and include measures for ensuring a cascading effect.

2. Set a baseline

- Give relevant stakeholders, such as buyers, access to aggregated benchmarking data.
- Align with relevant stakeholders on how to measure progress.

3. Build awareness

- Offer training to buyers to increase understanding of the issue and how we best support the implementation of living wages.
- Communicate to RBA members how this is a prioritized theme for the buyers.



4. Advocate for including living wages in the next update of the Code of Conduct

- Include an expectation of a contractual obligation to carry this forward to subcontractors.
- Set clear expectations for members.
- Act to get the largest brands to be early adopters of voluntary guidelines.

Recommendations for brand owners

1. Show the way

- We call on industry leaders within sustainability to share best practices on how they implement and work on securing living wages.
- Adopt voluntary guidelines when these are available.

2. Be transparent

- We encourage brands to disclose their living wage gap in alignment with the methodology currently being developed by the RBA.

In tune with the high-level process, we as buyers commit to

1. Creating a common basis for implementing living wages in our purchasing practices and due diligence work

- Price in the social cost of producing IT equipment to avoid worker exploitation (based on international standards and

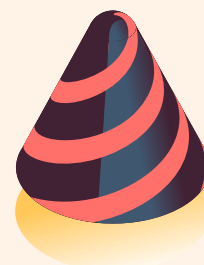
existing methodologies, such as the UN Guiding Principles and the ILO).

- Work to include an expectation of efforts towards living wages in our Supplier Code of Conducts.
- Define relevant questions to be included in market dialogues.
- Define effective requirements without violating competition laws.
- Develop contractual clauses that define expectations on data sharing.
- Develop a methodology for verification and follow up.

2. Building awareness

- Use our influence to build awareness in the buyer community and to share best practices.
- Seek guidance from the industry on what impactful processes and principles could look like.
- Urge existing certification schemes to include audits of living wage (like TCO Certified, EPEAT, ISO, SA8000).

We, the buyers, look forward to collaborating with the industry on this important matter. Our approach is pragmatic. We are not aiming for a scientific discussion. We want to encourage action. ■



Buyers want comprehensive and simple solutions

ASF IS THE VOICE of Nordic IT buyers.

The recommendations and messages put forth in this report build on insights gained from extensive stakeholder dialogues on how sustainability is prioritized in procurement. Since Nordic organizations are among the most progressive and mature in the world, these views become valuable indicators for the global IT industry.

The findings indicate that Nordic buyers want comprehensive and simple solutions – such as standards and ecolabels – to aid their responsible purchasing ambitions. They also consider internal alignment a key factor to realize the full potential of sustainable procurement. The result of this internal focus may be a real game changer as it will affect everything from needs assessments to supplier management.

Collecting input

The foundation of the stakeholder input is the ASF dialogue, an online survey distributed to Nordic IT-buying organizations. The purpose of the survey is to identify current and future procurement priorities, discover trends and expose challenges. This year's ASF dialogue had a record number of replies, 824 respondents across the Nordics. A profound basis for communicating insights from the Nordic market to the global industry.

To determine if Nordic buyers' self-reported priorities are consistent with their actions, the ASF dialogue was complemented by an analysis of sustainability criteria in public tender requests.

824

Number of respondents

64%

represent
organizations with 500
or more employees.

46%

give sustainability
in procurement
a high priority.

Most beneficial for sustainability in procurement

1. Greater alignment of objectives between sustainability, procurement and IT
2. Standardized reporting and data from the industry
3. More standardized and sharper requirements in tenders (quite far behind)

Results

- The growing interest in sustainable IT and the maturity of the Nordic market is reflected in the results. As an example, 46% put a 4 or a 5 on how prioritized sustainability is in their IT purchases, on a scale where 5 means it is a decisive factor.
- No specific issues stood out, but the overall results indicate a call for more standardized information and implementations of "simple" solutions like ecolabels.
- Better alignment of objectives between sustainability, procurement and IT functions is perceived to benefit sustainability in procurement the most.
- The highest priorities in the near future are choosing products with ecolabels and favoring manufacturers that demonstrate due diligence in line with international instruments.
- Living wages, refurbished units, prolonged software updates and Science Based Targets are areas where efforts will increase the most.
- Respondents want to see increased efforts around data transparency and standardization from the industry.
- There were no notable differences between the results in the ASF dialogue and the procurement analysis. ■

Disclaimer: The survey was distributed through Atea's channels across the Nordics and is open to anyone. Therefore, the results more likely reflect the views of sustainability engaged organizations than the views of a random selection.

The power of standards and purchasing practices

Purpose & methodology

This analysis investigates two separate, but related, sustainability areas identified through the stakeholder dialogues: the role of standards, certifications and ecolabels (part 1), and brands' responsible purchasing practices (part 2). The purpose is to provide a deep understanding of issues of importance to the Nordic market and increase awareness in the IT industry of existing gaps and potential areas of improvement.

The results are based on expert interviews and desktop research. For more details on methodology and a list of interviewed experts, please see Appendix I, available in the digital version of this report. ■

This is a summary. For the full version, including details on methodology, please see Appendix 1 available in the digital version of this report.

Part I: Designed to simplify – complex to navigate

THE ANALYSIS SHOWS that while standards are crucial in fostering sustainable practices, the complexity of the landscape may hamper sustainable development and limit the potential of these tools to make procurement more efficient.

The power to unify

Standards and certifications play an important role in creating a baseline for what can be considered a sustainable product or business operation. They are vital in setting achievable, yet progressive goals that push the industry towards continuous improvement. While lead times are long – often five to ten years – they ensure that both market forces and technical advancements are considered, leading to practical, scalable solutions⁵.

Added impact through spill-over effects

There are two types of potential spill-over effects:

- **To the supply chain when upstream actors become subject to sustainability standards that require adherence to strict environmental and ethical guidelines, potentially enhancing transparency and accountability⁶.**
- **To other product categories when improvements made to certify one product often extend to others.**

Built on multistakeholder input

Several interviewed experts stressed the importance of multistakeholder input in the standards development process⁷.

5 Sören Enholm, CEO of TCO Development, interview, 8/10/2024

6 Pauline Göthberg, National Coordinator, Head of Unit, National Secretariat for Sustainable Public Procurement of Swedish Regions, interview, 21/10/2024

7 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

This ensures that the criteria reflect a broad spectrum of interests and are more likely to be adopted and enforced across the industry⁸.

Important interplay with legislation

The development of different kinds of standards is in many ways closely interlinked with legislation. Some examples are:

- 1. Legislation may catalyze progress when voluntary standards are not enough to drive necessary changes or when development is slow.**
- 2. It can prompt the development of standards. One example is the RBA's efforts to align its Code of Conduct with the Corporate Sustainability Due Diligence Directive (CSDDD).**
- 3. When innovation outpaces regulatory timelines and certifications, and voluntary standards can set benchmarks that later form legal requirements.**

Laws like the CSDDD promote the use of existing due diligence standards, which in turn helps to elevate these standards to meet the new legal requirements. In this way, legislation doesn't just enforce compliance; it also helps strengthen industry standards, leading to better practices and accountability⁹.

Moreover, legislation like the Corporate Sustainability Reporting Directive (CSRD) can serve as a tool for buyers when comparing the sustainability performance of their suppliers.

"CSRD could indeed facilitate more standardized ways of comparing and assessing suppliers for buyers. This standardization emerges primarily through the introduction of the ESRS, which defines the structure for disclosures."

– Could Sustainability Reporting be dead?¹⁰

A complex landscape

In the standards landscape, each element plays a distinct role but together they form a complex web with considerable differences, not only across categories but also within each category. Significant variation can exist in purpose, scope, and verification processes.

What is what?

STANDARDS are established guidelines or sets of criteria that organizations voluntarily follow. Broadly, they can focus on specific aspects, such as reporting on carbon emissions, or be more comprehensive, such as guidelines for responsible business conduct.

Examples: PAIA and UN Guiding Principles for Business and Human Rights

CERTIFICATIONS provide a formal third-party validation mechanism that verifies compliance with specific environmental and operational benchmarks. Offering more than just guidelines, they confirm adherence through rigorous assessment processes.

Example: ISO 14001

ECOLABELS identify products with reduced environmental and social impact. Those classified as Type 1¹¹ adhere to multiple third-party criteria set by ISO 14024 that are verified by an independent body.

Examples: EPEAT, TCO Certified (both Type 1)

8 Sören Enholm, CEO of TCO Development, Interview, 8/10/2024

9 Bart Devos, vice president of global policy at the RBA, interview, 21/10/202

10 Could sustainability reporting be dead? <https://www.sbandco.com/latest/could-sustainability-reporting-be-dead>

11 Nordic Swan Ecolabel. <https://www.nordic-swan-ecolabel.org/nordic-ecolabelling/criteria-development/type-1-ecolabel-iso-14024/>

An overview of relevant standards, certifications and ecolabels for the IT industry can be found in the full version of this analysis, available in Appendix I of the digital publication.

A challenge to navigate

Some of the factors contributing to the complexity of the landscape are:

• Varying verification processes

Some standards have rigorous third-party audits while others rely on self-reporting.

• Difference in philosophy and approach

Many certifications, including ISO 14024-based Type 1 ecolabels, display substantial variability in their application despite adhering to the same underlying standards.

• Overlap and sub-optimization

There can be several standards or certifications for similar topics but tailored to different stakeholder needs.

For buyers it can be challenging to assess the credibility and relevance of the ecolabels or standards¹². Brand owners must carefully choose what standards and ecolabels to align with, as numerous reporting requirements and certification processes pose a risk for data churn and sub-optimization if not correctly prioritized, organized and managed^{13, 14}. It also requires significant effort to educate the market on which standards are compatible and can serve as verification for specific requirements.

Why buyers and brands turn to standards

Facilitate decision making

For buyers, standards, certifications, and ecolabels are crucial when choosing partners and products that meet their sustainability requirements. They can provide a way to include multiple material criteria without the need for buyers to have detailed knowledge. Additionally, independently verified criteria facilitates follow up¹⁵.

“That’s why standards are helpful to buyers. They offer trustworthy insight and validation within an area, where laymen are not equipped, and should be expected to, identify green choices.”

– Adam Goslett, SKI

Harmonization

When buyers’ requirements are specific and varied, meeting them can demand significant resources. With standards in place, buyers know what to ask for, and the brand owners know where to direct their investments to meet these expectations.

“What we don’t want—and what standards can help prevent—is companies asking for or being asked for lots of different data, different approaches, or different requirements that don’t achieve the end goal.”

– Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco

Proof of excellence/differentiation

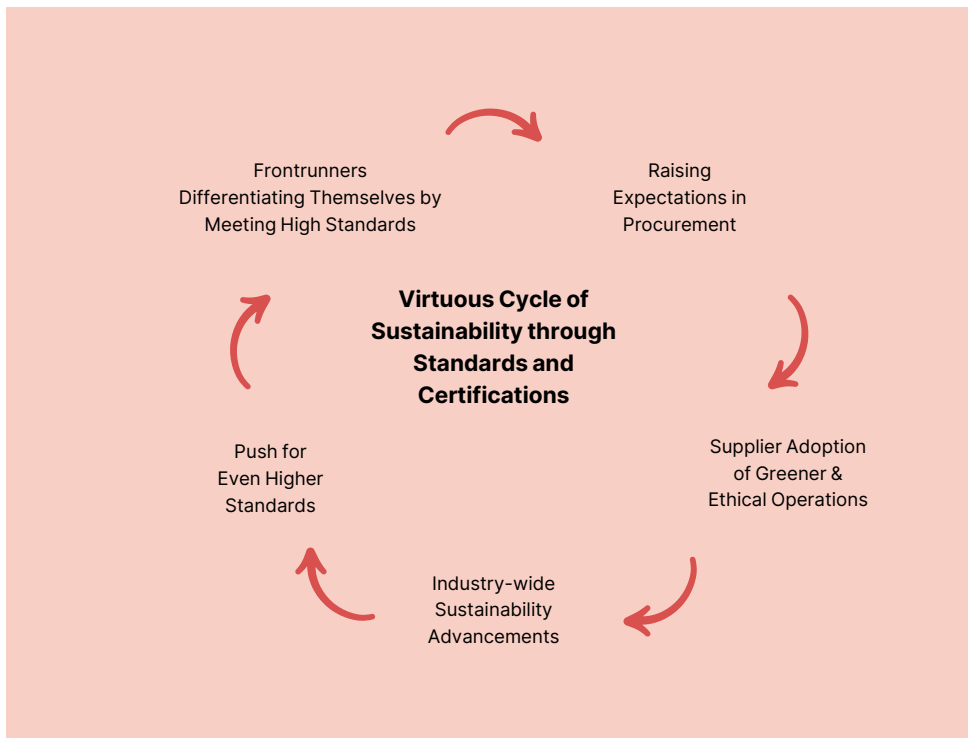
Some standards offer proof of excellence that can distinguish a brand from the competition and enhance overall credibility.

12 Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact / Sr. advisor Sustainable Public Procurement, interview, 8/11/2024

13 IT brand, interview, 14/11/24

14 Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco. Interview 15/11/24

15 Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact / Sr. advisor Sustainable Public Procurement, interview, 8/11/2024



The virtuous cycle

Demands and expectations from buyers incentivize leading brands to set themselves apart by achieving high standards. This leads to the establishment of higher benchmarks across the industry, which allows buyers to raise their expectations.

The role of industry associations

Standards are picked up by industry associations like the RBA that set benchmarks and provide tools for credible due diligence in supply chains¹⁶. Moreover, these associations play an important role in influencing policy, safeguarding that it is aligned with current standards.

However, as the previous ASF report pointed out, despite that the RBA is not a standard-setting organization, the coalition could increase its efforts to contribute to the development of standards in fields

where the gaps are increasingly problematic, such as methodologies for carbon footprint reporting¹⁷.

Potential weaknesses

As pointed out by experts, standards, certifications and ecolabels should be seen as complementary tools. Some of the potential weaknesses and drawbacks uncovered in the analysis were:

DILUTION OF CRITICAL ISSUES. The development of sustainability certifications involves substantial compromise, which can dilute ambitious criteria and slow the advancement of critical issues¹⁸.

TRANSFER OF RESPONSIBILITY. No matter how robust they appear, standards and ecolabels are not foolproof and may not cover all sustainability aspects.

¹⁶ RBA-Online (responsible-business.org)

¹⁷ ASF report 2024, "Scaling Impact"

¹⁸ Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024



Responsibility cannot be transferred to the standard makers or assumed to disappear once a product is certified.

COMPLACENCY. Related to the above, there is a risk of complacency^{19,20}, i.e. thinking a certification is sufficient, or that hitting a target metric means the work is done.

HAMPERING INNOVATION. In the fast-paced technology sector, product innovation may make certification criteria irrelevant, leading to a situation where the product fulfils the ambition of a criteria but still does not comply because of how the criteria is designed.

Moreover, many of the actors in the standards landscape operate in a market setting. Elements of distrust or skepticism relating to commercial interests were found among both buyers and brands, for example pertaining to lack of transparency around what criteria are included in the assessments (open e.g. to subscribers only), debatable criteria, and thresholds that change without any rationale^{21, 22}.

Key findings

1. The ironies

IRONY 1: Buyers and brands turn to these tools for simplicity and efficiency; however, because of the complexity of the landscape, applying them still requires significant knowledge and caution.

IRONY 2: While the landscape is vast and diverse, there are still gaps. For example, the lack of a common methodology for product carbon footprint reporting²³.

2. Skepticism on both sides

Some elements of distrust to some standards and certifications could be detected from experts representing both buyers and brands. This skepticism considered, for example, a lack of transparency on criteria assessed or thresholds that can change without logical explanation and was mainly directed towards commercial actors.

3. The delicate balance

The power of standards to establish a consensus around what is considered sustainable is a major strength. At the same time, consensus means substantial compromise which can hamper ambition.

4. Innovation vs. long lead times

The exhaustive development processes require long lead times that are not always able to keep up with the fast-paced technology sector. As a consequence, criteria used for certifying products may not reflect the most sustainable option.

19 IT brand, interview, 14/11/24

20 Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco, interview 15/11/2024

21 Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact / Sr. advisor Sustainable Public Procurement, Interview, 8/11/2024

22 IT brand, interview, 14/11/24

23 Is sufficient carbon footprint information available to make sustainability focused computer procurement strategies meaningful? Justin Sutton-Parker et al. / Procedia Computer Science 203 (2022)

5. Cleanup needed

More can be done to facilitate navigation of the landscape, for example by grouping similar standards and identifying overlap. One example of such an attempt is the Consolidated Mining Standard Initiative (CMSI) that merges various voluntary mining and metal standards into a single, unified global standard²⁴.

6. Added stakeholder input?

Stakeholder participation is seen as a key feature by interviewed experts. It is unclear to what extent buyers are represented at these forums. The same goes for rights holders and workers in the supply chain. ■

Part 2: Impact through purchasing practices

The importance of responsible purchasing practices

Cooperation and partnership, or *shared responsibility*, in the supply chain has become increasingly important in the wake of new legal developments, such as the CSDDD, along with rising expectations from customers.

“Procurement organizations – particularly in the Nordic regions – are putting demands on the IT industry to the extent where they are [...] becoming almost advocates for social causes in and of themselves.”

– Bob Mitchell, CEO of Global Electronics Council²⁵.

Policy experts highlight the importance of fostering a culture of cooperation and

partnership with suppliers and point to poor internal alignment as a prevalent barrier to delivering on long-term sustainability goals^{26, 27}.

In the wake of the coming Corporate Sustainability Due Diligence Directive (CSDDD), the value of responsible purchasing practices is recognized also by the RBA, classifying it as a “significant gap” for brands:

“Modifying purchasing practices, though, is a big one. This is something that most companies don’t do yet. [...] We believe this represents one of the significant gaps between CSDDD and current company practices²⁸.”

– Bart Devos, VP of Public Policy, RBA

- 24 Unlocking the power of sustainability certifications, https://kumi.consulting/insights/unlocking-the-power-of-sustainability-certifications-a-journey-of-process-and-performance/?_thumbnail_id=3548
- 25 Although, as identified by previous ASF reports, low transparency may hinder buyers from effectively influencing brands’ purchasing practices. (see ASF 2024: Scaling Impact; ASF 2018: Transparency.)
- 26 Responsible Purchasing Code of Conduct. Page 2. <https://www.responsiblecontracting.org/buyer-code>
- 27 Sustainability strategy. <https://info.lek.com/sustainability-strategy>
- 28 Bart Devos, Vice President of Public Policy at the RBA, Interview, 21/10/2024.

- 29 Responsible Purchasing Code of Conduct. Page 3-5.
- 30 RBC Health Check https://kumi.consulting/rbc-health-check-form/?kinsta-cache-cleared=true#gf_1
- 31 IBID
- 32 Responsible Purchasing Code of Conduct. Page 6-7.
- 33 IndustriALL Global Union, IF Metall, and H&M Group update global framework agreement. <https://www.industrial-all-union.org/industrial-all-union-if-metall-and-hm-group-update-global-framework-agreement>
- 34 Purchasing practice trends: The impact of supply chain shocks on brands & workers. <https://www.business-human-rights.org/en/latest-news/purchasing-practice-trends-the-impact-of-supply-chain-shocks-on-brands-workers/>
- 35 Practical guide to responsible sourcing. <https://www.responsiblebusiness.org/publications/practical-guide-responsible-sourcing/>
- 36 Corporate sustainability due diligence directive. <https://www.dlapiper.com/en/insights/publications/2024/07/corporate-sustainability-due-diligence-directive>
- 37 The stakeholder dialog as an essential tool. <https://terra-institute.eu/en/the-stakeholder-dialog-as-an-essential-tool/>
- 38 IBID
- 39 Responsible Purchasing Code of Conduct. Page 4-6.
- 40 RBC Health Check https://kumi.consulting/rbc-health-check-form/?kinsta-cache-cleared=true#gf_1
- 41 Guiding principles on business and human rights: Implementing the United Nations "Protect, Respect and Remedy" Framework. Page 27-28. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
- 42 Code of interdependence. https://www.chiesi.com/documenti/30_code-of-interdependence.pdf
- 43 HP 2023 Sustainable Impact Report. Page 88 <https://www8.hp.com/h20195/v2/GetPDF.aspx/c08980815.pdf>
- 44 https://www.cisco.com/c/m/en_us/about/csr/esg-hub/supply-chain/sustainability.html
- 45 2023 sustainability report. Page 192 [https://image.honhai.com/sustainability-reports/tw/2023%20Sustainability%20Report_English\(Final_0906\).pdf](https://image.honhai.com/sustainability-reports/tw/2023%20Sustainability%20Report_English(Final_0906).pdf)
- 46 IBID

What is responsible purchasing?

By synthesizing guidelines of several authoritative sources in sustainability, this analysis identified four focus areas of responsible purchasing best practices:

1. Internal brand governance

Refers to strategies for creating alignment in the direct organizational structure, including employing cross-functional teams and giving senior executives the ultimate responsibility for the supply chain.^{29, 30}

2. Selection and deselection of suppliers

How brands design their supply chains, including responsible exit strategies, prioritization of ESG criteria in new supplier selection, and predetermined action plans for non-compliance.^{31, 32, 33, 34}

3. Brand-supplier cooperation

Pertains to the quality of communication throughout the supply chain, such as having channels for two-way communication, non-predatory exchanges, and valuing transparency.^{35, 36, 37}

4. Commitments to suppliers

A responsible purchasing strategy that is built on more than codes of conduct. Practices include commitments to not changing placed orders without consultation, pricing that covers suppliers' health and safety costs, being involved in supplier subcontracting, and committing to remediation of adverse impacts.^{38, 39, 40, 41}

One such example is the "Code of Interdependence" developed by the pharmaceutical company Chiesi. The code outlines shared guidelines that require each part of the value chain to adhere to a common set of principles to achieve a more sustainable and inclusive business model.⁴²

Are best practices applied?

Public disclosure on this topic is quite low, but an examination of six major IT brands from different parts of the supply chain showed that the best practices are applied to some extent but not across the board. Below are some examples of concrete measures found – or not found – among the analyzed brands.

1. Internal governance

- **HP** bestows supply chain responsibility on senior management by employing a Supply Chain Operations Team. Among other tasks, this team works with the CEO as well as HP's president to assert the brand's Human Rights Policy.⁴³
- **CISCO** has a Supply Chain Operations ESG Steering Committee that covers environmental and social sustainability and communicates closely with the supplier management teams.⁴⁴

"For us at Cisco, we work to integrate human rights and environmental criteria into business decisions at the right points. Preventing risk is preferable to fixing problems".

– Maria Gorsuch-Kennedy, Director Supply Chain Sustainability at Cisco.

No concrete strategies for incentivizing procurement teams to deliver on ESG commitments were found.

2. Selection or deselection of suppliers

- In **HON HAI TECHNOLOGY GROUP** supplier evaluation, ESG factors account for 30 percent of the brand's final decision.⁴⁵ Factors weighed in include social and environmental responsibility, product certifications, and greenhouse gas emissions⁴⁶.
- **SAMSUNG** sets minimum requirements and evaluates prospective suppliers on 45 sustainability topics (26 in environ-



mental, 19 in human rights). Only suppliers with sufficient maturity in all topics are considered by the brand.^{47, 48}

In terms of applying best practices in the deselection of suppliers, these brands did not disclose concrete strategies.

3. Brand – supplier cooperation

- **DELL TECHNOLOGIES'** Social and Environmental Responsibility assurance program integrates brand–supplier dialogue as a basis for risk assessments and the development of action plans⁴⁹.
- For **CISCO**, supplier dialogues are used to shape the brand's overarching

sustainability strategy and ESG priorities, which include reducing operational waste, improving working conditions in the supply chain, and considering community impact of business operations⁵⁰.

The value of stakeholder dialogues and shared goals throughout supply chains is highlighted by all major brands. Still, it is an area where companies need to elevate their efforts.⁵¹

4. Commitments to suppliers

- **DELL TECHNOLOGIES** commits to providing support for improvements in health and safety, including financial and technical support and production flexibility.⁵²

- 47 New Supplier Selection. https://www.samsung.com/global/sustainability/popup/popup_doc/AYUqt-dzKDlwAlx_C/
- 48 Samsung Electronics sustainability report 2023. Page 74 https://www.samsung.com/global/sustainability/media/pdf/Samsung_Electronics_Sustainability_Report_2023_ENG.pdf
- 49 FY24 ESG report. Page 13, 25, 36 <https://www.delltechnologies.com/asset/en-gb/solutions/business-solutions/briefs-summaries/delltechnologies-fy24-esg-report.pdf>
- 50 Purpose report 2024. Pages 16, 17, 31. https://www.cisco.com/c/dam/m/en-us/about/csr/esg-hub/_pdf/purpose-report-2024.pdf
- 51 Bart Devos, Vice President of Public Policy at the RBA, Interview, 21/10/2024.
- 52 FY24 ESG report. Page 63-64.

- **HP** commits to address adverse impacts by collaborating with peers, partners, and suppliers on collective remedy.⁵³

Although there was a strong focus on assessing the risk of adverse impact among the investigated brands, apart from the HP example, there were few concrete and publicly communicated remediation strategies. The same applies to direct pricing strategies and concrete strategies for supplier subcontracting.

What's relevant for buyers?

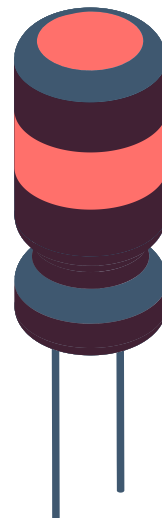
Currently, the purchasing practices of a brand are rarely considered by buyers. Large public procurement organizations in the Nordics point to public tendering laws requiring that sustainability criteria are related to the subject matter of the contract, not the suppliers' organizations.^{54, 55}

Concluding thoughts

There may be several reasons for the lack of public disclosure around purchasing practices:

- It is a sensitive topic that borders on revealing trade secrets.
- It is not considered to be a sustainability topic as it is not always obvious how diverse practices such as pricing, committing to placed orders, and cross-functional teams impact sustainability.
- For this reason, buyers are not asking for information, especially since public buyers feel restricted from doing so by law.
- Influencing responsible purchasing practices requires an understanding of how a business operates.

The strong focus on the value chain in laws such as the CSRD and CSDDD indicates that the pressure on brands on this topic will increase. Together with the continuously raised ambitions and increased understanding from buyers, this could give rise to a more mature ecosystem thinking that acknowledges the concept of interdependence. ■



53 HP 2023 Sustainable Impact Report. Page 103.

54 Pauline Göthberg, National Coordinator, Head of Unit, National Secretariat for Sustainable Public Procurement of Swedish Regions, Interview, 21/10/2024.

55 Adam Goslett, Assistant Manager at SKI, Interview, 29/10/2024.

Signs of hope – and worry

A KEY COMPONENT of the ASF initiative is to follow up on how the industry advances the recommendations put forth in the reports. When ASF was founded in 2017, the Responsible Business Alliance (RBA) was invited to be the designated recipient of the reports. Since then the commitment from the RBA has been critical to ASF's ability to impact the IT industry. The value of this relationship was perfectly described by Rob Lederer, CEO of the RBA, in last year's report:

"The challenge before all of us is significant, but through trust and collaboration among industry leaders like the RBA and ASF, progress is more than achievable."

– Rob Lederer, CEO of the RBA.

Each year the RBA is asked to submit a comment on how they have processed the previous report and the overall progress of the industry (see p. 22).

A positive but gradual development

Looking at the industry through a wider lens, much of what the Nordic buyers have advocated for is now being realized through EU legislation. Examples are increased transparency (CSDDD), accountability (CSRD double materiality assessment), Green Claims Directive), circularity (ESPR, right to repair). A measure aimed directly at the IT industry is the USB-c charging ports on smartphones that became mandatory this year – a recommendation from the Advisory Board back in 2019 ("One cord only!").

Going forward, it will be interesting to see how the upcoming regulations

will impact sustainable development. Complying with these policies will take a lot of effort from all actors in the value chain. Will there be room for innovative thinking? Perhaps these cumbersome compliance processes will even prompt such thinking?

Even though the broad change is brought about by legislation, ASF makes a difference. It's clear that many positive changes have taken place in our eight active years. However, so far we have only seen small steps of change and no disruptive initiatives or measures that have made the industry take a giant leap.

Business models are still based on transactional sales promoting volume rather than long-term value. The long and complex supply chains still constitute a considerable risk for labor rights violations, and poor transparency prevails. The material input still comes predominantly from virgin sources.

Progress in short

On Transparency

- ➕ Promising initiative from the RBA on supply chain mapping.
- ➖ There is still no common methodology for calculating and reporting on product carbon footprints.

On Circularity

- ➕ Because the design stage is crucial to a product's ability to last, be repaired and refurbished⁵⁶, the Advisory Board has long recommended that the RBA contribute to circular design guidelines. This year the Circular Electronics Partnership, of which the RBA is a founding member, published a circular design guide⁵⁷.

56 <https://www.ellenmacarthurfoundation.org/articles/design-and-the-circular-economy>

57 <https://cep2030.org/project/circular-electronics-design-guide/>

- + The RBA has re-launched its working group on circularity.
- + Buyers in the Nordics seem to hold on to their devices for longer. As an example, 31 percent of Swedish municipalities surveyed by IT refurbisher Inrego reported an average usage time of five years.
- Security concerns and discontinued support from software providers cause the retirement of functioning hardware, as best illustrated by the millions of PCs that don't meet the minimum requirements for Windows 11.

On Scaling Impact

- + The 2024 ASF report, Scaling Impact, identified opportunities for the RBA to encourage progress among members by defining best practices and acknowledging leadership. It appears that the coalition is taking steps in this direction, focusing on capacity building and signaling that meeting the requirements of the Code of Conduct should be viewed as a baseline.
- + An example of the above is the Zero Waste Assurance Program, a voluntary program to minimize waste in product facilities. Members that complete the program will receive public recognition on a special webpage.

On Climate

- A study by the International Telecom Union and the World Benchmarking Alliance⁵⁸ showed that for the overall ICT sector emissions continue to grow.

"GHG emissions and energy consumption have increased, while transparency and accountability have declined. These developments do not yet fully account for the growing impact of AI technologies, which are poised to further strain energy resources and exacerbate emissions. Most digital companies have not submitted an emissions reduction target aligned with the Paris Agreement's 1.5°C goal."

From the report "Greening Digital Companies 2024"

- + The major brands in focus for ASF (suppliers of workplace-related IT) are doing quite well. However ...
- ... the development of AI poses a considerable challenge in terms of energy use. This year, both Google and Microsoft have announced increased emissions due to AI, and experts fear they will not be able to stick to climate pledges⁵⁹.

Buyers break new ground – but many need to step up

ASF is built on the assumption that buyers' purchasing power is a major driver for sustainable development. As a follow-up to the ASF dialogue (where buyers report on their priorities) 250 public tender requests from Nordic buyers were scanned for sustainability criteria identified in previous reports. While there were several examples of bold, innovative procurements – such as the one that gives sustainability 60 percent weight – the review also showed that many buyers settle for ISO 14001 as a sole requirement. This suggests that a lot more can be done to incentivize sustainable development in the IT sector.

58 <https://www.itu.int/en/ITU-D/Environment/Pages/Publications/GDC-24.aspx>

59 <https://www.computerweekly.com/news/366592778/Microsoft-and-Googles-GHG-emissions-gains-call-viability-of-net-zero-targets-into-question>

The groundbreakers are mainly represented by the members of the Leadership for Change network – a group of ambitious IT buyers that have committed to using their IT purchases to drive sustainability. They also share their knowledge to help other organizations to ramp up their sustainable IT journey. In 2024, the network released a best practices document synthesizing their best practices on how to create and implement a strategy for sustainable IT.

<https://www.atea.se/en/sustainable-it/atea-sustainability-focus/leadership-for-change/>

A group of Leadership for Change members also participate in Gameplan 2030, a project that was initiated by the ASF Advisory Board following the ASF report “Faster, together!”.

Together with industry representatives, the group has identified five actions to accelerate the circular and net-zero development of the sector that they will now implement. The actions will be monitored with the ambition to establish the overall effect as well as to what extent each action contributes.

<https://www.atea.se/media/mzghela3/gameplan-2030.pdf?v=638744712154856730>

Although the challenges remain great, we embark on a new ASF year with much anticipation. The effects of legislation will be noticeable. We keep seeing new measures and initiatives that move the industry in the right direction, but most importantly: the collaboration between buyers and the industry that makes the ASF initiative unique remains strong. That is a recipe for success. ■



Statement from the RBA

I'D LIKE TO START by extending my thanks to ATEA and the ASF for dedicating their continued time, energy, and resources to create this important report for the electronics industry. This gives us a glimpse into the eyes of a buyer, their ambitious view of the future, and what we can expect from their purchasing practices.

This report offers a different perspective than previous years, in that there is an expectation of unity. Early on in the report, the stage is set that this level of impact cannot be achieved alone but instead requires collective action. The responsibility of achieving these goals clearly rests on the shoulders of everyone involved, and no one group can do it without the partnership of the other stakeholders.

Another important differentiator from other years is the focus on scalability. In order to see impact at scale, these systems need to work together towards a common goal. The necessary tools are

clearly outlined: transparency, accountability, and joint action.

While all of these are expected in other areas of business, they are somewhat new to the ESG (environmental, social, and governance) space. The strength of the RBA is the collaboration of our members, the transparency of our tools, the accountability of our membership requirements, and our mission of joint action for impact.

IN 2024, we brought together some of the largest economies in the world including eleven separate countries to discuss the issue of forced labor. Through that workshop a road map was developed and shared globally. In the same year we created the Responsible Environment Initiatives of the RBA. The REI pulls together hundreds of manufacturers to align on their responsible use of chemicals and aims to eliminate exposure to workers. 2024 was also the year that we launched RBA Code of Conduct version 8, which includes access to remedy, scope 3 emissions management and reporting, as well as due diligence management systems.

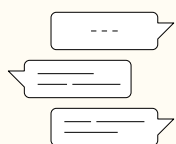
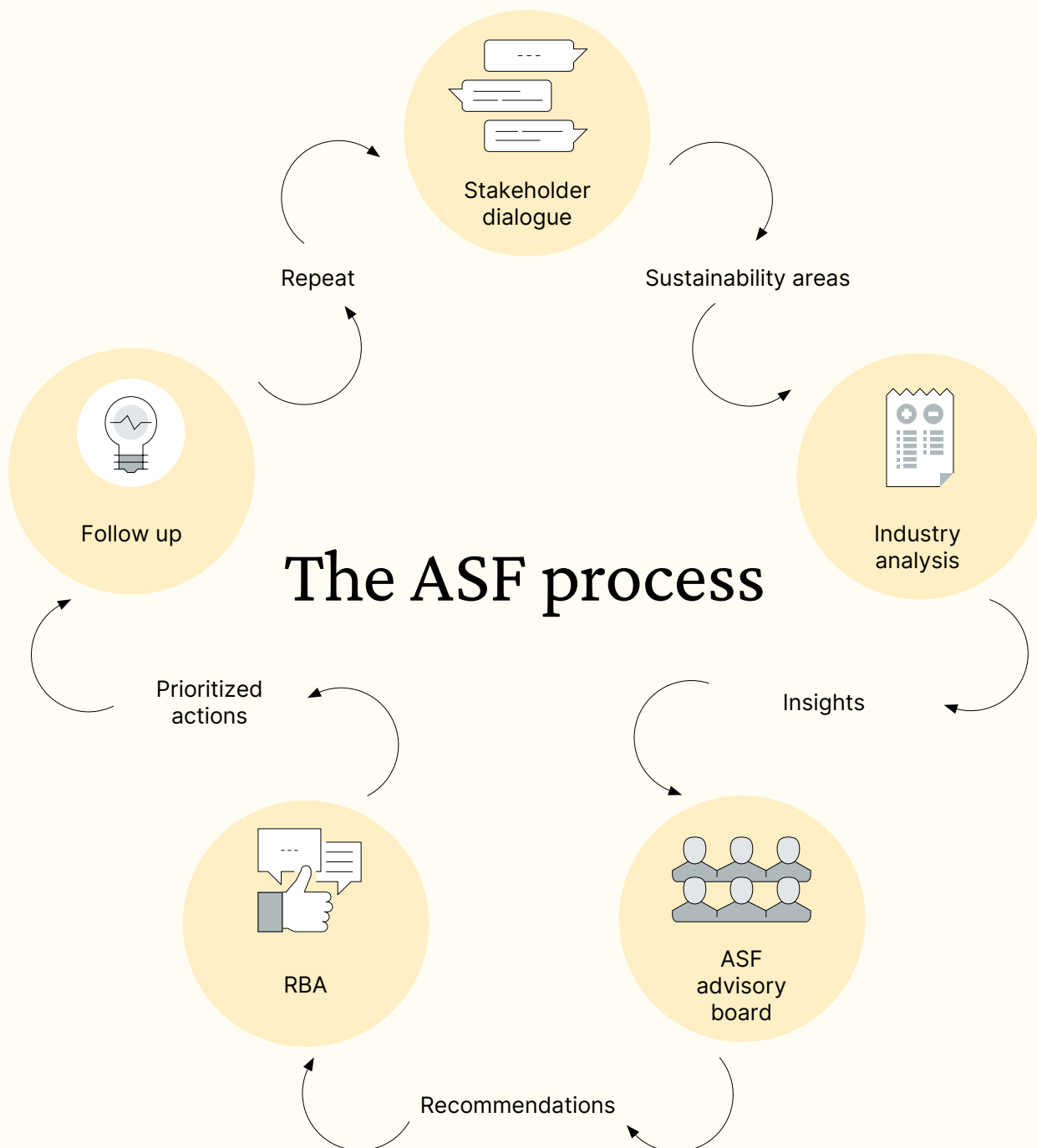
Together with the ASF, and the common goals of joint action, transparency, and accountability, we will make it possible for the electronics industry to advance by demonstrating their commitment to manufacturing products which are environmentally and socially responsible.

I would personally like to thank the members of the ASF, and the team at Atea, for their continued leadership in this area. ■

ROB LEDERER
CEO – Responsible Business Alliance



Together with the ASF, and the common goals of joint action, transparency, and accountability, we will make it possible for the electronics industry to advance by demonstrating their commitment to manufacturing products which are environmentally and socially responsible.



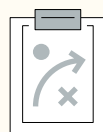
Stakeholder dialogue

Key sustainability aspects for Nordic IT buyers are identified through different kinds of dialogues and screening of procurement documents.



Industry analysis

Sustainability experts conduct an industry analysis to identify how the industry performs on the aspects identified by the buyers.



Recommendations

The ASF Advisory Board, comprised of leading IT and sustainability professionals from Nordic companies, municipalities and organizations, formulates concrete recommendations.



Handover to the industry

RBA and its member companies decide on specific activities to implement the recommendations from the ASF Advisory Board.

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The power of standards & the hidden key to sustainable impact

Authors: Zimeng Tang & Nils Sjöstrand Berg, Sustainergies



THE ANALYSIS INVESTIGATES two separate, but related sustainability areas identified through stakeholder dialogues held within the Atea Sustainability Focus initiative. The aim is to provide a deeper understanding of issues of importance to the Nordic market and increase industry awareness of existing gaps and potential areas of improvement.

PART 1 looks at the role of standards, certifications and ecolabels.

PART 2 follows up on one of the key insights in the ASF report of 2024, Scaling Impact – on the need for internal alignment for all functions that influence the supply chain.

The results are based on expert interviews and extensive desk research on the sustainability strategies of leading

brands. Additionally, official websites, wikis of relevant standards and certifications, and various analytical articles were consulted.

Interviewees are Bob Mitchell, CEO of Global Electronics Council; Sören Enholm, CEO of TCO Development; Bart Devos, Vice President of Public Policy at the Responsible Business Alliance; Pauline Göthberg, National Coordinator, Head of Unit, National Secretariat for Sustainable Public Procurement of Swedish Regions; Adam Goslett, assistant manager at SKI (The State and Local Government Procurement Service of Denmark); Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact/Sr. advisor Sustainable Public Procurement; Maria Gorsuch-Kennedy, Director, Supply Chain Sustainability, Cisco. One other IT brand has also provided input but preferred not to be cited. ■

Part I: From compliance to excellence

IT BUYERS in the Nordic region express a need for clearer, more effective tools to guide their purchasing decisions. Trustworthy standards that simplify complex environmental and human rights issues are essential for sustainability criteria to be integrated in the purchasing decision without necessitating expert knowledge¹.

To clarify the value and limitations, and to identify areas of improvement, the complex landscape of standards and certifications has been examined. The analysis investigates the potential of standards to enforce compliance and to drive excellence in practices, pushing companies beyond minimal requirements.

Trends and Challenges

Standards and Certifications in the IT industry

Sustainability standards, certifications, ecolabels, assessments, ratings, and legislation collectively guide and regulate how brand owners manage their environmental and social responsibilities and play an important role in helping stakeholders, particularly buyers, to pursue their sustainability ambitions and make informed decisions.

However, together they form a complex web with considerable differences across categories and within each category. Significant variation exists in purpose, scope, and verification processes. A nuanced understanding of these distinctions is crucial to apply them effectively, ensuring that sustainable practices are genuinely supported and aligned with organizational goals².

STANDARDS are established guidelines or sets of criteria that organizations voluntarily follow to manage and report on their sustainability issues, and can be divided into two focus categories:

- specific operational aspects, for instance measuring and reporting carbon emissions, e.g. Partnership for Accounting Carbon Information & Analysis (PAIA).
- broader corporate responsibilities like the UN Guiding Principles for Business and Human Rights (UNGPs) or the OECD Guidelines for Multinational Enterprises.

CERTIFICATIONS provide a formal third-party validation mechanism that verifies compliance with specific environmental and operational benchmarks. ISO 14001 and ISO 45001 are widely recognized examples.

ECOLABELS serve as a tool to identify products with reduced environmental and social impact, but the level of verification and criteria used can vary. Type 1 ecolabels³ adhere to third-party criteria set by ISO 14024 and verified by an independent body. The most common in the IT industry, EPEAT and TCO Certified are both Type 1 and focus on the product lifecycle – from design to disposal, identifying energy-efficient, responsible and less environmentally harmful production.

ASSESSMENTS, like those provided by EcoVadis, offer a detailed look at a company's sustainability performance, including environmental practices and labor rights, helping to identify areas for improvement and allowing buyers to assess potential partners based on their ESG performance.⁴

¹ Adam Goslett, assistant manager at SKI, interview, 29/10/2024

² Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact / Sr. advisor Sustainable Public Procurement, interview, 8/11/2024

³ Nordic Swan Ecolabel. <https://www.nordic-swan-ecolabel.org/nordic-ecolabelling/criteria-development/type-1-ecolabel-iso-14024/>

⁴ Solutions for regulations and compliance. <https://ecovadis.com/solutions/regulations-compliance/>

LEGISLATION requires compliance, ensuring that all entities within its jurisdiction meet the minimum requirements. Key measures are the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the Environmental and Social Performance Requirements (ESPR).

“CSRD could indeed facilitate more standardized ways of comparing and assessing suppliers for buyers. This standardization emerges primarily through the introduction of the ESRS, which defines the structure for disclosures.”

– Could Sustainability Reporting be dead?⁵

⁵ Could sustainability reporting be dead?
<https://www.sbandco.com/latest/could-sustainability-reporting-be-dead>

Current landscape of standards

Table 1: Some of the most recognized standards, certifications and legislative directives

| Category | Name | Introduction | Scope | Depth | Verification |
|--------------------------------|--|---|----------|----------|----------------------|
| Standard – providing framework | UN Guiding Principles for Business and Human Rights (UNGPs) | Framework ensuring the respect of human rights in operations. | Moderate | Deep | Self-reported |
| Standard – providing framework | UN Global Compact (UNGC) | Voluntary initiative to align strategies with universal sustainability principles. | Wide | Shallow | Self-reported |
| Standard – providing framework | OECD Guidelines for Multinational Enterprises | Sets principles for responsible business, focus is sustainability and human rights. | Wide | Deep | Self-reported |
| Standard – providing framework | OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas | A framework for companies to identify, prevent, and mitigate risks related to human rights abuses, environmental harm, and corruption in mineral sourcing from conflict-affected and high-risk areas. | Moderate | Deep | Self-reported |
| Standard – providing framework | Responsible Minerals Assurance Process (RMAP)-- Established by Responsible Mining Initiative (RMI) | Certifies smelters and refiners, verifying whether sourcing practices adhere to responsible and conflict-free standards. | Moderate | Deep | Third-party verified |
| Standard – providing framework | Conflict Minerals Reporting Template (CMRT) -- Established by Responsible Mining Initiative (RMI) | Aids disclosure mineral sourcing practices, specifically aimed at conflict minerals in supply chains. | Focused | Moderate | Self-reported |
| Standard – standardizing data | Global Reporting Initiative (GRI) | A framework for companies to report on their environmental, social, and governance performance. | Wide | Moderate | Self-reported |

| Category | Name | Introduction | Scope | Depth | Verification |
|-------------------------------|---|---|----------|----------|--|
| Standard – standardizing data | Partnership for Accounting Carbon Information & Analysis (PAIA) | Methodologies for measuring and reporting carbon emissions accurately. | Focused | Moderate | Self-reported |
| Standard – standardizing data | Sustainability Accounting Standards Board (SASB) | Industry-specific standards for disclosing financially material sustainability information. | Moderate | Deep | Self-reported |
| Standard – standardizing data | GHG Protocol | Global standardized framework to measure and manage greenhouse gas emissions. | Focused | Deep | Self-reported |
| Certification | ISO 14001 | Environmental management to reduce waste and increase resource efficiency. | Moderate | Deep | Third-party verified |
| Certification | ISO 45001 | Occupational health and safety management to create safe working environments. | Moderate | Deep | Third-party verified |
| Ecolabel | EPEAT | Evaluates lifecycle impacts of electronic products, on climate, chemicals, circularity and supply chains. | Focused | Deep | Third-party verified |
| Ecolabel | TCO Certified | Focuses on sustainable IT product design, including ergonomics and environmental impact. | Focused | Deep | Third-party verified |
| Ecolabel | Energy Star | Certifies energy-efficient electronic products and appliances. | Focused | Shallow | Third-party verified |
| Assessment | EcoVadis | Rates companies on sustainability metrics like environmental practices and labor rights. | Wide | Moderate | Self-reported and verified by internal experts |
| Legislation | CSRD (Corporate Sustainability Reporting Directive) | Mandates corporate sustainability disclosures. | Wide | Deep | Legally enforced |
| Legislation | CSDDD (Corporate Sustainability Due Diligence Directive) | Requires companies to conduct due diligence on human rights and environmental impact. | Wide | Deep | Legally enforced |

The table differentiates the two categories of standards introduced in section 1.1. that allows buyers and brands to distinguish between tools aimed at setting ethical or social benchmarks and tools designed for consistent, measurable data reporting. The scope is classified in a range from "Wide" to "Focused", which reflects the comprehensiveness within each tool, with "Wide" generally covering an array of sustainability dimensions or a wide field. Depth reflects the level of detail in the framework, often requiring reporting or multi-faceted compliance checks. It does not assess if the bar is high or low.

6 ASF Report 2023 "Time for climate accountability" page. 30

7 Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact / Sr. advisor Sustainable Public Procurement, Interview, 8/11/2024

Complexity of the Current Landscape

Navigating the landscape of standards and certifications can be a complex process due to a⁶ number of factors:

VARYING VERIFICATION PROCESSES.

Some standards have rigorous third-party audits; others rely on self-reporting. Buyers need to be aware of the differences to assess the credibility, which can be challenging⁷.

DIFFERENCE IN PHILOSOPHY OR APPROACH despite adhering to the same underlying standards. EPEAT and TCO Certified are both Type 1 labels but with different approaches regarding criteria development and verification process.

A research paper by Warwick College investigating the reporting from 42 IT brands concluded that in many cases data is incongruent due to different methodologies, and incomparable within a manufacturer's own portfolio. In one case five different use-phase durations and three alternative conversion factors were used by the same brand⁸.

OVERLAP AND SUB-OPTIMIZATION.

CDP, GRI, and SASB, each provide a framework for reporting environmental and social impacts but tailored to different stakeholder needs.

Numerous reporting requirements and certification processes pose a risk for data churn and sub-optimization if not correctly prioritized and managed^{9,10}. It demands significant effort to educate the market on which standards are compatible and can serve as verification for specific requirements.

Interplay of Legislation and Standards

Voluntary standards sometimes achieve only incremental progress due to the need for broad acceptance within all factions of the market¹¹. When they prove insufficient to drive necessary change, legislation becomes crucial to catalyze progress. Still these laws often end up requiring and encouraging the use of industry standards. This in turn helps to elevate standards to meet the new legal requirements. In that way, legislation helps strengthen industry standards, leading to better practices and accountability¹².

The RBA's efforts to align its Code of Conduct with the CSDDD exemplifies

how existing frameworks adapt to meet legal requirements. While the RBA Code is broadly aligned in areas like labor practices, it falls short in areas like living wages and environmental protection. This alignment process ensures compliance with new legal standards and drives the RBA's strategic updates, thus enhancing the Code's effectiveness and relevance¹³.

In technology, where innovation outpaces traditional regulatory and standardization timelines, certifications and voluntary standards can act as precursors to legislation, setting benchmarks that later yield legal requirements. New criteria can set trends that eventually solidify into standards and legislative frameworks. This dynamic approach allows standards to stay aligned with rapid technological advancements, ensuring that legislative efforts are informed by up-to-date practices and more effective when implemented¹⁴.

Addressing the Gaps

COOPERATE. Multistakeholder platforms facilitate the needs of all relevant parties¹⁵. Major ecolabels like EPEAT and TCO Certified involve buyers, suppliers, and civil society to ensure that they reflect a range of interests and are more likely to be adopted and enforced across the industry¹⁶. The RBA consults civil society, investors, and other key groups to update and refine its code of conduct to ensure that the standards developed are informed by multiple perspectives¹⁷. However, it is unclear to what extent buyers, rights holders and those in the supply chain are represented at these forums.

UNIFY. Attempts have been made to consolidate and unify disparate standards into a more coherent framework, e.g. the Convergence Standard initiative that aims to merge various voluntary mining

8 Is sufficient carbon footprint information available to make sustainability focused computer procurement strategies meaningful? Justin Sutton-Parker et al. / Procedia Computer Science 203 (2022)

9 IT brand, interview, 14/11/24

10 Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco. Interview 15/11/24

11 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

12 Bart Devos, vice president of global policy at the RBA, interview, 21/10/2024

13 Bart Devos, vice president of global policy at the RBA, interview, 21/10/2024

14 Sören Enholm, CEO of TCO Development, Interview, 8/10/2024

15 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

16 Sören Enholm, CEO of TCO Development, Interview, 8/10/2024

17 RBA Annual Report 2023 Page.43

and metal standards into a single, unified global standard¹⁸. However, some level of complexity is necessary to address the significant sustainability issues at stake. Buyers may seek simple, reliable signals but beneath these labels are intricate systems addressing multiple sustainability factors. Ecolabels, standards and certifications must balance ease of use with the complexity required to make a real impact¹⁹.

DISTINGUISH. Defining what constitutes credible and enforceable sustainability criteria can help establish a more reliable foundation for assessing sustainability claims. Many of the standard-setting bodies operate in a market setting, which can affect this trust negatively. Distrust relating to commercial interests can be found among both buyers and brands. It can pertain to lack of transparency around what's included in the assessments (e.g. open only to subscribers), debatable criteria and thresholds that are changed without any rationale^{20, 21}.

Educational efforts could help the buying community identify what adheres most to the highest standards of interpretation and establish a basis for trust²². An integrated platform or tool that distinguishes the robust certifications from the less so could be beneficial for buyers²³. This may in part be accommodated by the coming Green Claims Directive in the EU which aims to provide guidelines for credible ecolabels²⁴.

Industry Perspectives

FOR BUYERS, standards, certifications, ecolabels and assessments are crucial for choosing partners and products that meet technical competencies while demonstrating a commitment to sustainable and ethical operations. They help ensure regulatory compliance, minimize risks, and enhance buyer's reputation by associating

with responsibly minded brands. It is also a way of including comprehensive criteria and facilitating follow up²⁵.

"That's why standards are helpful to buyers. They offer trustworthy insight and validation within an area, where laymen are not equipped, and should be expected to identify green choices."

– Adam Goslett

DRIVERS FOR THE INDUSTRY. Meeting buyers' specific and varied requirements can demand significant resources. Standards, ecolabels and certifications help streamline this process by providing clear expectations. Buyers know what to ask for, and the industry understands where to focus investments to meet these expectations.

"What we don't want - and what the right standards can help prevent - is companies spending more resources managing a myriad of data points, approaches, or requirements, and less on driving progress to our shared goals."

– Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco

These tools may offer **proof of excellence**. By aligning, brands can set themselves apart in a crowded market. Besides, brands feel that customers put less trust in self-declarations and are looking for independent, impartial "stamps of quality"²⁶.

Several of the experts interviewed highlight that industry-wide collaboration in the development of standards helps create benchmarks that all actors can agree upon. By working together in a pre-competitive manner, companies build standards that elevate their reputation and remove non-competitive factors, such as labor practices or environmental impact, from the playing field. This could lead to competition being focused on

18 Unlocking the power of sustainability certifications, https://kumi.consulting/insights/unlocking-the-power-of-sustainability-certifications-a-journey-of-process-and-performance/?_thumbnail_id=3548

19 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

20 Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact / Sr. advisor Sustainable Public Procurement, Interview, 8/11/2024

21 IT brand, interview, 14/11/24

22 Pauline Göthberg, National Coordinator, Head of Unit, National Secretariat for Sustainable Public Procurement of Swedish Regions, Interview, 21/10/2024

23 Pauline Göthberg, National Coordinator, Head of Unit, National Secretariat for Sustainable Public Procurement of Swedish Regions, Interview, 21/10/2024

24 Green claims - European Commission, https://environment.ec.europa.eu/topics/circular-economy/green-claims_en

25 Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact / Sr. advisor Sustainable Public Procurement, Interview, 8/11/2024

26 IT brand, Interview, 14/11/2024

product quality, price, and innovation rather than basic ethical obligations that should be mandatory for market entry²⁷.

Brands must still be able to differentiate themselves in the marketplace. If standards are too rigid or fail to reflect current market realities, they risk stifling innovation²⁸.

A balance between collaboration and competition can encourage adoption of common ethical standards while allowing companies to differentiate through unique initiatives and advanced product features.

Even if brands do not certify all their products there are **spill-over effects**. The sustainability improvements made to one certified product often extend to others. This drives broader market change beyond the directly certified products^{29,30}.

Actors' Roles

A virtuous cycle

BUYERS can drive change by mandating and incentivizing manufacturers to meet specific standards and integrate sustainability into the core business operations.

INVESTORS are increasingly focusing on impact investing, seeking out companies that adhere to recognized standards³¹.

LEADING COMPANIES set themselves apart by achieving high standards, pushing the limits of sustainability and ethical practices, which establish higher benchmarks across the industry and enhance procurement practices as these standards become more widely adopted and the market matures. As procurement standards rise, brands adopt more sustainable practices, which contributes to overall industry improvement.

This cycle, as illustrated in the graph below, ultimately allows frontrunners to distinguish themselves further, continually raising the bar and reinforcing their leadership and market position through sustained advancements in sustainability.

Standards are picked up by **industry associations**, like the RBA, that set benchmarks and provide tools for credible due diligence in supply chains³², and play an important role in influencing policy and safeguarding alignment with current standards³³.

As the previous ASF report pointed out, the RBA coalition could, even if it isn't a standard setting organization, increase its effort to help develop standards where the gaps are increasingly problematic, such as methodologies for carbon footprint reporting³⁴.

27 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

28 Sören Enholm, CEO of TCO Development, interview, 8/10/2024

29 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

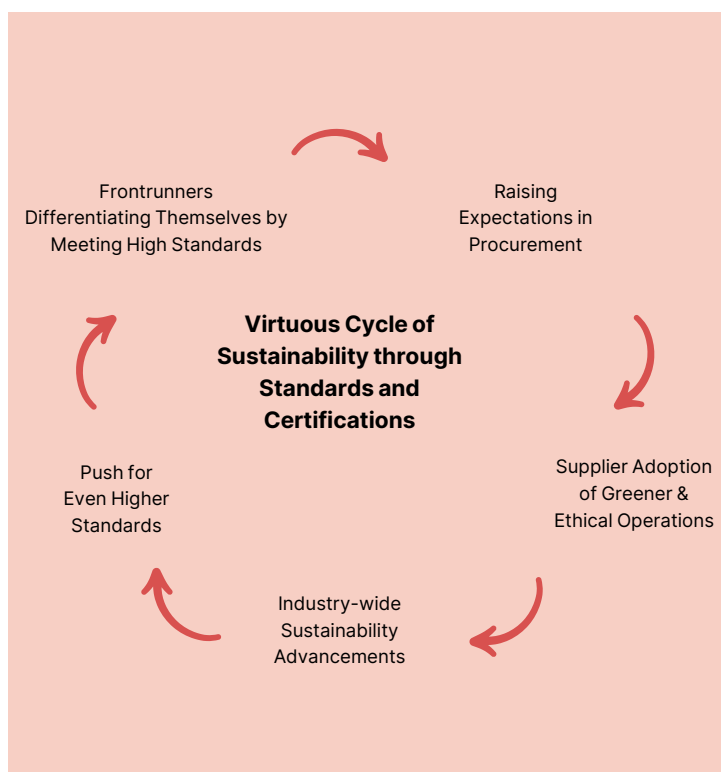
30 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

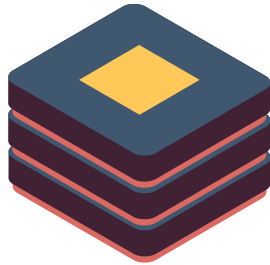
31 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

32 RBA-Online (responsible-business.org)

33 Bart Devos, vice president of global policy at the RBA, interview, 21/10/2024

34 ASF report 2024, "Scaling Impact"





Weaknesses and Potential Drawbacks

Despite the benefits, there are pitfalls to be aware of, such as:

DILUTION OF CRITICAL ISSUES due to compromise. Controversial topics may achieve only incremental improvements as they require a broad consensus that balances the diverse interests of stakeholders³⁵.

LIMITS OF VOLUNTARY STANDARDS. Reliance on voluntary standards alone can leave significant sustainability challenges unaddressed. Hindered by cost concerns and technical barriers, according to manufacturers, the reduction of hazardous substances progressed slowly. Regulatory intervention through the EU's RoHS directive became the catalyst to make industry-wide changes beyond the initial regulated substances³⁶.

DISADVANTAGES FOR SMALLER MARKET PLAYERS as standardization can pose implementation challenges, especially for smaller firms trying to enter the market or to maintain competitiveness against larger, more established companies³⁷.

NON-TRANSFERABLE RESPONSIBILITY since they cannot entirely absolve buyers nor brands of their responsibilities. No matter how robust they appear, they cannot guarantee that no issues will arise in the supply chain. Actors must remain diligent and understand precisely what each certification covers. The responsibility cannot be transferred to the standard makers or assumed to disappear once a product is certified.

Brand experts recognize **COMPLACENCY** as a risk^{38,39}, i.e. thinking a certification is sufficient, or that hitting a target metric means the work is done. Standards and practices need to be embedded into the business as a whole. Numbers are important indicators, but not the final objective⁴⁰.

HAMPERING INNOVATION. In the fast-paced technology sector, product innovation may lead to a situation where the product fulfils the ambition of specific criteria but still does not comply, e.g. the noise level of fans. Some computers do not include fans at all. They are noiseless but cannot comply with the criteria⁴¹.

Alternatives to standards

MEMBERSHIP IN THE RBA signals a commitment to robust due diligence processes. Simply being a member does not ensure that specific standards and requirements are fully met. Effective implementation of tools, for e.g., corrective action plans and training of suppliers, is crucial⁴².

NICHE SUSTAINABILITY MANAGEMENT SYSTEMS offer a targeted approach. Unlike broad guidelines these initiatives focus on practical impacts within specific areas. The CO2 Performance Ladder incentivizes organizations to reduce emissions through a tiered certification system that directly integrates carbon management into their operational strategies.⁴³

Another example is the **Technology Sustainability Index**⁴⁴, an open-source database, which was initially developed by Danish company Maersk to assess the sustainability performance of IT vendors. Such niche initiatives indicate the need for tools targeted for specific needs.

From Compliance to Excellence

Standards governed by ISO or managed by organizations like TCO Development

35 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

36 Bob Mitchell, CEO of Global Electronics Council, interview, 05/10/2024

37 Bart Devos, vice president of global policy at the RBA, interview, 21/10/2024

38 IT brand, interview, 14/11/24

39 Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco, interview 15/11/2024

40 Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco, interview 15/11/2024

41 IT brand, interview, 14/11/24

42 Bart Devos, vice president of global policy at the RBA, interview, 21/10/2024

43 What is the Ladder (co2-prestatieladder.nl)

44 Technology Sustainability index, <https://tsi.life/>

and Global Electronics Council are vital in setting achievable, yet progressive goals, that push the industry towards continuous improvement. They might take time to develop – often five to ten years – but ensure that both market forces and technical advancements are considered, leading to practical, scalable solutions⁴⁵.

In the EU, ISO 14001 is regarded as a basic requirement for large companies and does not distinguish the actors with the most advanced sustainability practices.

Other standards set a high bar for achievement, like the United Nations Guiding Principles on Business and Human Rights (UNGPs) that place great demands on companies aiming to adhere. Similarly, each update of TCO Certified and EPEAT targets the top 30 percent of products from a sustainability perspective, aiming to distinguish products that are leaders in sustainability. This highlights how standards, when set to encompass only the upper echelons of market offerings, can signify excellence⁴⁶. Targeting a smaller market has its own challenges. When fewer products are certified, it becomes harder for purchasers to find enough certified options to meet their needs⁴⁷.

Advancing to Excellence

Standards and ecolabels can promote excellence through:

TIERED CERTIFICATION SYSTEMS, where companies can choose different levels to adhere to, e.g. EPEAT where the bronze category represents a level that around 30 percent of the market can meet, and gold is more advanced.

MULTI-STAKEHOLDER COLLABORATION to build consensus on standards can raise standards toward excellence, making suppliers align their practices with the

goals of buyers. A collaborative approach ensures that certifications are robust and feasible, paving the way for broader adoption and higher sustainability performance across the industry⁴⁸.

SUPPORTIVE REGULATORY ENVIRONMENTS play a pivotal role. Regulations that favor low-cost bids over sustainable practices in public procurement can discourage companies from implementing advanced sustainable innovations and often result in a sustainability “race to the bottom” where the minimum becomes the norm⁴⁹.

Topics for further discussion

Buyers turn to standards and certifications because they offer simplicity, verified credibility, and drive positive change through their procurement choices.

The complex landscape where varying credibility and a lack of uniformity make the implementation complicated.

What more can be done to simplify use, create common frameworks and agree on methodologies without compromising on the underlying complexity?

Finding new ways for stakeholder collaboration was highlighted as key by virtually all interviewed experts. **Can more stakeholder groups be included in collaboration platforms to increase transparency around how criteria are set, scope and verification processes, as well as establishing trust on all levels of the value chain?**

Standards and certifications play an important role in creating a baseline for what can be considered a sustainable product or business operation. **Long development processes, the need for consensus and market considerations limit the potential for these tools to also promote excellence. What future efforts could best address this gap? ■**

45 Sören Enholm, CEO of TCO Development, Interview, 8/10/2024

46 Sören Enholm, CEO of TCO Development, Interview, 8/10/2024

47 Sören Enholm, CEO of TCO Development, Interview, 8/10/2024

48 Marieke Weerdesteijn, Programme manager Circular and Fair ICT Pact / Sr. advisor Sustainable Public Procurement, interview, 8/11/2024

49 Sören Enholm, CEO of TCO Development, Interview, 8/10/2024

Part II: Sustainable purchasing practices

INTERNAL ALIGNMENT behind sustainable purchasing practices is one key enabler for accelerating the sustainable development of the IT industry presented in the 2024 ASF report.

A review of major IT brands reveals that practices are implemented to some extent, but that scale is lacking and not every brand engages with every aspect. Since firsthand disclosure has been hard to find it has been difficult to establish to what extent sustainable purchasing practices actually are applied. This lack of transparency may limit buyers' ability to verify brand progress on sustainable supply chains, but absence of disclosure may also be a result of low stakeholder interest.

The importance of purchasing practices

Cooperation and partnership, or shared responsibility, has become increasingly important in the wake of new legal requirements such as the CSDDD that will increase pressure on brands' value chain integration, that necessitates internal alignment behind sustainable purchasing practices.^{50, 51} Bar-setting policy experts such as the Responsible Contracting Project (RCP) underline the importance of "foster[ing] a culture of cooperation and partnership with suppliers" in all industries.⁵²

In addition, buyers express ever higher expectations on alignment behind sustainability topics. Bob Mitchell, CEO of Global Electronics Council, argues that procurement organizations – particularly in the Nordic regions – are putting demands on the IT industry to the extent where they are "[...]

becoming almost advocates for social causes in and of themselves."⁵³

The value of responsible purchasing practices is recognized also by the IT industry and classified as a "significant gap" for brands:

"Modifying purchasing practices, though, is a big one. This is something that most companies don't do yet. [...] We believe this represents one of the significant gaps between CSDDD and current company practices."⁵⁴

– Bart Devos, VP of Public Policy, RBA

Best practices

By synchronizing guidelines from authoritative sources in sustainability, such as the RCP, the UNGPs, the RBA, workers' rights organizations, and sustainability consultants like Kumi Consulting, LEK, and the Terra Institute, four focus areas of responsible purchasing best practices have been identified:

INTERNAL BRAND GOVERNANCE. Refers to strategies for creating alignment in the direct organizational structure. Best practices include employing cross-functional teams and giving senior executives the ultimate responsibility for the supply chain.^{55, 56}

SELECTION AND DESELECTION OF SUPPLIERS. Concerns how brands decide which actors to include in value chains. This category includes responsible exit strategies, prioritization of ESG criteria in new supplier selection, and predetermined action plans for non-compliance as best practices for brands to follow.^{57, 58, 59, 60}

50 Bart Devos, Vice President of Public Policy at the RBA, Interview, 21/10/2024.

51 Corporate sustainability due diligence. https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en

52 Responsible Purchasing Code of Conduct. Page 2. <https://www.responsiblecontracting.org/buyer-code>

53 Bob Mitchell, CEO of Global Electronics Council, Interview, 05/10/2024.

54 Bart Devos, Vice President of Public Policy at the RBA, Interview, 21/10/2024.

55 Responsible Purchasing Code of Conduct. Page 3-5.

56 RBC Health Check https://kumi.consulting/rbc-health-check-form/?kinsta-cache-cleared=true#gf_1

57 IBID

58 Responsible Purchasing Code of Conduct. Page 6-7.

59 IndustriALL Global Union, IF Metall, and H&M Group update global framework agreement. <https://www.industrial-union.org/industrial-global-union-if-metall-and-hm-group-update-global-framework-agreement>

60 Purchasing practice trends: The impact of supply chain shocks on brands & workers. <https://www.business-human-rights.org/en/latest-news/purchasing-practice-trends-the-impact-of-supply-chain-shocks-on-brands-workers/>



BRAND—SUPPLIER COOPERATION.

Pertains to the quality of communication throughout the supply chain. This category gathers a range of practices, such as having channels for two-way communication, non-predatory exchanges, and valuing transparency.^{61, 62, 63}

BRANDS' COMMITMENTS TO SUPPLIERS.

Include commitments to not changing placed orders without supplier consultation, pricing that covers suppliers' health and safety costs and considers suppliers' profit margins, and being involved in supplier subcontracting.^{64, 65, 66} An additional central best practice in the UNGPs is committing to remediation of adverse impacts.⁶⁷

One example is the pharmaceutical company Chiesi that has replaced the traditional supplier code of conduct with a "Code of Interdependence". The code outlines shared guidelines that require each part of the value chain to adhere to a common set of principles for a more sustainable and inclusive business model.⁶⁸

Application of best practices in the IT industry

Six major randomly selected IT brands from different parts of the value chain have been reviewed in order to give an indication of how established and/or well-communicated the best practices are in the IT industry. The table below presents some examples of how these brands align behind some of the identified best practices, as well as areas with potential gaps.

- 61 Practical guide to responsible sourcing. <https://www.responsiblebusiness.org/publications/practical-guide-responsible-sourcing/>
- 62 Corporate sustainability due diligence directive. <https://www.dlapiper.com/en/insights/publications/2024/07/corporate-sustainability-due-diligence-directive>
- 63 The stakeholder dialog as an essential tool. <https://terra-institute.eu/en/the-stakeholder-dialog-as-an-essential-tool/>
- 64 IBID
- 65 Responsible Purchasing Code of Conduct. Page 4-6.
- 66 RBC Health Check https://kumi.consulting/rbc-health-check-form/?kinstacache-cleared=true#gf_1
- 67 Guiding principles on business and human rights: Implementing the United Nations "Protect, Respect and Remedy" Framework. Page 27-28. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr_en.pdf
- 68 Code of interdependence. https://www.chiesi.com/documenti/30_code-of-interdependence.pdf

"For us at Cisco, we work to integrate human rights and environmental criteria into business decisions at the right points. Preventing risk is preferable to fixing problems."

– Maria Gorsuch-Kennedy, Director Supply Chain Sustainability at Cisco.

"Meaningful consultation with stakeholders, including suppliers and others like NGOs, is becoming increasingly important. The risk is that it becomes a superficial exercise. If everyone engages in consultations just because the directives say so, then we need to be careful."⁶⁹

– Pauline Göthberg, National Coordinator and Head of Unit, National Secretariat for Sustainable Public Procurement.

"So, when I say there are gaps, it's not that members [of the RBA] are doing something different; it's just that we're not implementing it at scale and not doing it completely."

– Bart Devos, VP of Public Policy, RBA.

⁶⁹ Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco. Interview 15/11/24

| Best practice | Description | Are brands doing it? |
|---|--|---|
| 1. Internal brand governance | Internal cross-functional teams, training and incentivizing procurement teams, senior management involved in supply-chain responsibilities | <p>+</p> <ul style="list-style-type: none"> • Senior management part of Supply Chain Operations Team that manages the brand's company-wide human rights commitments (HP)⁷⁰ • Supply Chain Operations ESG Steering Committee that covers environmental and social sustainability and communicates closely with the supplier management teams (Cisco)⁷¹. <p>–</p> <p>No concrete incentives for procurement teams were found.</p> |
| 2. Selection and deselection of suppliers | Involving and prioritizing sustainability in supplier selection, responsible exit strategies | <p>+</p> <ul style="list-style-type: none"> • ESG factors account for 30 percent of the final decision.⁷² Factors include social and environmental responsibility, product certifications, and greenhouse gas emissions⁷³ (Hon Hai Technology Group). • Minimum requirements and evaluating prospective suppliers on 45 sustainability topics (26 environmental, 19 human rights). Only suppliers with sufficient maturity in all areas are considered (Samsung).^{74, 75} <p>–</p> <p>No applications of best practices in deselection of suppliers could be found.</p> |
| 3. Brand-supplier cooperation | Two-way communication, setting goals in dialogue, sustainability strategy influenced by stakeholder dialogue | <p>+</p> <ul style="list-style-type: none"> • Social and Environmental Responsibility assurance program integrates brand-supplier dialogue for risk assessments and the development of action plans (Dell Technologies)⁷⁶. • Supplier dialogues used to shape the overarching sustainability strategy and ESG priorities, including reducing operational waste, improving working conditions in the supply chain, and considering community impact of business operations (Cisco)⁷⁷. <p>–</p> <p>Stakeholder dialogues have been identified as an area where brands need to elevate their efforts⁷⁸.</p> |
| 4. Commitment to suppliers | Commitment to placed orders, pricing covering health and safety costs, involvement in supplier subcontracting, remediation | <p>+</p> <ul style="list-style-type: none"> • Commitment to provide support for improvements in health and safety, including financial and technical support and production flexibility (Dell Technologies).⁷⁹ • Commitment to address adverse impacts by collaborating with peers, partners, and suppliers on collective remedy (HP).⁸⁰ <p>–</p> <p>Few concrete and publicly communicated strategies for remediation, direct pricing and supplier subcontracting could be found.</p> |

70 HP 2023 Sustainable Impact Report. Page 88 <https://www8.hp.com/h20195/v2/GetPDF.aspx/c08980815.pdf>

71 https://www.cisco.com/c/m/en_us/about/csr/esg-hub/supply-chain/sustainability.html

72 2023 sustainability report. Page 192 [https://image.honhai.com/sustainability-reports/tw/2023%20Sustainability%20Report_English\(Final_0906\).pdf](https://image.honhai.com/sustainability-reports/tw/2023%20Sustainability%20Report_English(Final_0906).pdf)

73 IBID

74 New Supplier Selection. https://www.samsung.com/global/sustainability/popup/popup_doc/AYUqt-dzKdlwAix_C/

75 Samsung Electronics sustainability report 2023. Page 74 https://www.samsung.com/global/sustainability/media/pdf/Samsung_Electronics_Sustainability_Report_2023_ENG.pdf

76 FY24 ESG report. Page 13, 25, 36 <https://www.delltechnologies.com/asset/en-gb/solutions/business-solutions/briefs-summaries/delltechnologies-fy24-esg-report.pdf>

77 Purpose report 2024. Pages 16, 17, 31. https://www.cisco.com/c/dam/m/en_us/about/csr/esg-hub/_pdf/purpose-report-2024.pdf

78 Bart Devos, Vice President of Public Policy at the RBA, Interview, 21/10/2024.

79 FY24 ESG report. Page 63-64.

80 HP 2023 Sustainable Impact Report. Page 103.

Concluding Discussion

First-hand information on responsible purchasing practices have been difficult to find. It can be a sensitive topic bordering on revealing trade secrets. It can also indicate that purchasing practices are overshadowed by other sustainability topics or not even considered a sustainability topic at all by brands and buyers. Although brands may face great pressure to validate the sustainability of the manufacturing process behind a specific product, this might not transfer throughout the entire value chain. Organizations may struggle to realize how diverse practices such as pricing, committing to placed orders, and cross-functional teams impact sustainability. Public buyers also face the challenge of tendering laws mandating that all requirements are put in the contract. That could contribute to a “limited interest” from buyers.

For this topic to gain greater importance in the future, a way forward could be to strongly assert the link between purchasing practices and adverse ESG impacts. As Maria Gorsuch-Kennedy points out, influencing responsible purchasing practices requires understanding of how a business operates. It is therefore important to have open and honest conversations about how these processes work.⁸¹

The pressure on brands to improve internal alignment and responsible

purchasing practices, and to disclose the impact of these on the supply chain will most likely increase. CSDDD emphasizes issues closely related to purchasing practices, such as value chain integration.⁸² The ASF stakeholder dialogue indicates an increased focus on internal alignment in buyers’ own organizations which may lead to increased expectations on the same from suppliers.

A key concept found in this research on purchasing practices is the perception of responsibility. Partly fueled by legislation, the shift from focus on supply chain to value chain could contribute to a more mature ecosystem view where the concept of interdependence is acknowledged. ■



Although brands may face great pressure to validate the sustainability of the manufacturing process behind a specific product, this might not transfer throughout the entire value chain.

81 Maria Gorsuch-Kennedy, Director Supply Chain Sustainability, Cisco. Interview 15/11/24

82 Bart Devos, Vice President of Public Policy at the RBA, Interview, 21/10/2024.

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