

# ATEA SUSTAINABILITY FOCUS

March 2024

## Scaling impact



# Shared responsibility drives impact. Impact is a shared responsibility.

SINCE 2017, the Atea Sustainability Focus (ASF) initiative has issued six reports to the industry on how to advance the sustainable transformation according to the Nordic IT buyers. The one you are now holding in your hand – the seventh – is different. It focuses solely on impact, both what impact the ASF has had over the years and what we must do to increase the effects of our efforts.

Read more about the ASF initiative and developments throughout the years on p. 4.

## A look in the rearview mirror

The foundation of this report is an analysis of how previous ASF recommendations have been implemented on an industry level as well as on a brand level. The analysis also looked into how the Nordic IT buyers have reinforced the ASF recommendations in their tender requirements.

Read more about how the ASF recommendations have been implemented on p. 6 and in the appendix available in the digital version.

We can see that while progress has been made in all the areas covered by the reports – human rights due diligence, climate action and circular transition – the impact of these efforts is far from sufficient.

Among hurdles and opportunities for large-scale impact, the analysis lists:

- A system that is heavily reliant on audits and compliance, and less on incentives and capacity building.
- The Responsible Business Alliance (RBA) has developed several tools for increased transparency, but these are not being deployed by members.
- There are opportunities for the RBA to promote progress and accountability



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.

among members, for example by identifying and sharing best practices.

- The RBA can also do more to facilitate proactive, large-scale action. It is noted that this would require increased engagement from members.
- Closer collaboration between brands, for example on capacity building, has the potential to mitigate the effects of climate change locally and to prevent human rights abuses in supply chains.
- Nordic buyers do not always put their money where their mouth is. There is a gap between what is expressed in stakeholder dialogues and actual tender requirements.

## New mindset

So how can we turn the pockets of best practices that exist into a mass movement of positive development? According to the ASF Advisory Board, two things are required:

### 1. A mindset of shared responsibility

Replace today's "we and them" attitude with an ecosystem perspective. We need to treat the supply chain as a partnership where support, capacity-building and incentives are the cornerstones.

### 2. Operationalized and aligned sustainability efforts

Today, sustainability is often retrofitted to a system that is geared against it. There needs

to be greater alignment of incentives across the value chain and – not least – within organizations.

The Advisory Board calls on all actors of the value chain to make capacity building and shared goals the core of supply chain sustainability programs. Additionally, organizations need to strengthen internal processes, so that incentives for the procurement and contract management processes are aligned.

The Board would also like to see the RBA create an interface with buyers to share relevant, meaningful information about the progress in the supply chain, and that brands increase collaboration around capacity building.

To catalyze this development, Nordic buyers led by the Advisory Board, commit to leading the way by operationalizing sustainability in their own organizations, causing a ripple effect throughout the value chain.

The full message from the Advisory Board and the recommendations can be found on p. 10.

Only by aligning our efforts we can achieve impact at scale. This report makes it evident that this requires new thinking, new avenues for collaboration and new tools for information-sharing. This can be found challenging, and if the task of taking the first step – and all the risk that comes with it – is left to one actor, it will not be done. Sharing is the way forward. ■

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Sustainability is often retrofitted to a system that is geared against it.

# At the end of the day, it's all about impact



Camilla Cederquist  
Manager  
Atea Sustainability Focus

**WHY DO BUYERS** put sustainability requirements in procurements? Why do manufacturers set ambitious climate targets? Why did Atea found Atea Sustainability Focus? The answer is – or should be – simple: because we want to make a difference.

Sometimes I get the feeling that we tend to get lost in the complexity of the sustainable transformation, forgetting what the end goal is: a world that is kind to people and planet. All we should focus on is whether our actions have the desired – or any – effect.

## It's all about impact

This assumption (while not revolutionary still so hard to execute) forms the basis of this year's report from Atea Sustainability Focus. Founded in 2017, this initiative (humbly) set out to advance the sustainable development of the global IT industry, using the buying power of the mature Nordic market as leverage.

Seven years and six reports later, it was justified to ask how we were doing with that ambition. To assess impact, we looked into how the ASF recommendations so far have been implemented by the industry as a whole (mainly the RBA), brands, and the Nordic IT buyers.

The result? Not bad, but not great either. It is clear that progress has been made, not least within circular economy, and the tools developed by the RBA to improve transparency. At the same time, we are seeing too little impact. Carbon emissions keep going up, transparency is still low, IT products are far from circular, and there is still considerable risk for violation of human and worker rights in parts of the supply chain.

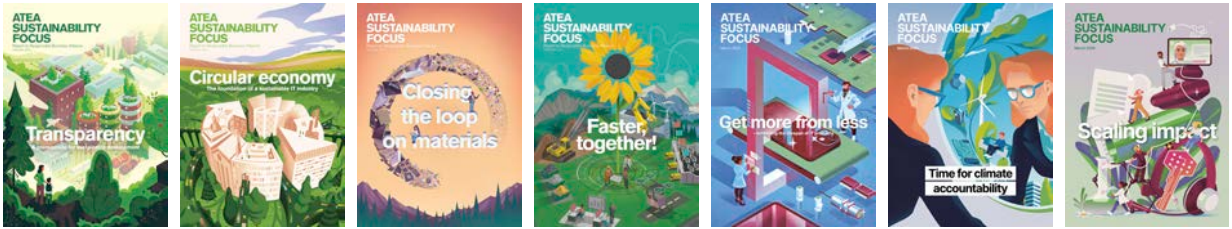
Therefore, the message from the Nordic IT buyers in this report emphasizes two things:

The need for large-scale action, because it is obvious that individual efforts are not enough and will never be if we are to address the challenges on a systemic level.

This requires a mindset of shared responsibility, starting with the recognition that we are all part of the value chain.

This year's report lucidly illustrates the evolution of the ASF initiative throughout the years. There have always been elements of collaboration and shared responsibility. By issuing recommendations, buyers did not only focus on the what but also offered help with the how. However, all messages were directed towards the industry/RBA.





The ASF reports 2018–2024. The themes have addressed all major sustainability challenges for the IT industry.



ASF is about the power of together, and this report takes this concept all the way. If implemented, we will create a force for transformation one could only dream of.



Over the years, the ASF Advisory Board – the eminent group of IT buyers that craft the recommendations to the RBA – has targeted also individual brands and the buyers. Bit by bit the realization that impact requires active participation and shared responsibility has grown. It led to the foundation of Leadership for Change, the network for buyers who have committed to weigh sustainability into all their IT purchases. It also resulted in a collaboration project with brands and the RBA to develop a roadmap for a circular and net-zero IT sector.

ASF is about the power of together, and this report takes this concept all the way. If implemented, we will create a force for change one could only dream of. Now it is up to all of us to make sure it doesn't stay a dream. After all, it's all about impact.

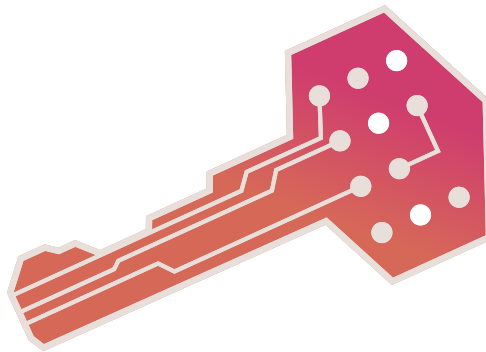
Read more about ASF and the ASF process on page 13. ■

CAMILLA CEDERQUIST  
Manager  
Atea Sustainability Focus

Read more on p. 12.

# ASF recommendations make a difference – but impact needs to scale

Authored by: Sophie Lahey, Sanna Wolff



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

## Purpose & methodology

To be able to assess the current and future impact of the recommendations from the previous ASF reports, external consultants have investigated to what extent they have been implemented on an industry level, by specific brands, and how they are being reinforced by the Nordic IT buyers through requirements set in tenders.

The review of the former recommendations identified four recurring aspects that appear to be material for achieving sustainable impact at scale.

1. **Accountability** – How actors in the IT value chain, such as brands, subcontractors, and buyers of IT equipment can be held – and hold themselves – accountable for their actions (as well as inactions).

2. **Transparency** – Including both supply-chain transparency and actors' overall sustainability performance, including the risk of greenwashing.
3. **Demonstrated progress** – The extent to which the IT sector is delivering on commitments and how this is demonstrated to buyers.
4. **Large-scale action** – How the IT sector uses its combined influence and strength for proactive measures.

The analysis combined desktop research and interviews with industry experts. This is a short summary. For the full version, including details on methodology and list of interviewed experts, please see Appendix I available in the digital version of this report. ■

# Part I: The industry

**TO BE ABLE TO** drive change in the entire IT industry, the primary recipient of the ASF report is the Responsible Business Alliance (RBA). The RBA is the world's largest industry coalition dedicated to responsible business conduct in global supply chains. It gathers all major tech brands as well as several of their suppliers, for a total of more than 500 members. Each ASF report is evaluated and assessed, and recommendations are taken forward where the industry can and should play a role.

The findings summarized below are a result of a review of RBA's annual reports, the developments of the RBA Code of Conduct since the launch of ASF as well as interviews with staff and member companies.

**Main finding:** The RBA has made progress on most recommendations, and brands have implemented many of the ASF recommendations. Now the focus needs to shift towards driving progress beyond compliance by scaling successful practices and focusing on support and incentives. Additionally, RBA tools need to be implemented across the industry.

## Highlights within transparency and human rights

- + Several tools for transparency have been implemented, such as the Supply Chain Mapping Tool and the RBA Emissions Management Tool.
- The guide for transparency in procurement that the RBA published after the first report has not become an industry standard.

## Highlights within circular economy

- + The RBA co-founded the Circular Electronics Partnership (CEP), a multi-stakeholder coalition aiming for a circular electronics industry in 2030.
- + Launching of the Responsible Environment Initiative which has circular materials as one of its focus areas.
- Circular economy is primarily viewed as brand activity and not a major element of RBA's work.

## Highlights in the area of climate

- + Provisions around climate have become increasingly comprehensive for each update of the RBA Code of Conduct. The latest version (8.0) requires public reporting of Scope 3 emissions and use of absolute or science-based targets.
- + Implementation of The Emissions Management Tool to support members' emission calculations and facilitate reporting of accurate supply-chain data.
- + Launching of the Responsible Environment Initiative which has decarbonization as one of its focus areas.

In addition to assessing progress for the ASF recommendations on an industry level, sustainability reports for three major IT brands were reviewed.

## Highlights on a brand level

- + All examined brands report to some extent on carbon emissions reductions, including scope 3.

- ⊕ Increased transparency and strengthened work around human rights, for example through greater alignment of management systems with the UN Guiding Principles on Business and Human Rights (UNGP), public list of suppliers, and more brands carrying out salient human rights risks assessments.
- ⊕ All examined brands offer reused products and include circularity in their supply-chain programs.

## Improvements for large-scale impact

### Transparency

- Transparency continues to be a high-priority topic within sustainability, but obstacles like fear of disclosing trade secrets and the risk of criticism by sharing challenges and adverse impacts remain.
- The tools developed by the RBA have the power to increase transparency but need to be deployed on a larger scale.
- All interviewed stakeholders, as well as previous ASF reports, have emphasized the importance of standards. The industry can do more to actively contribute to developing common reporting standards. The RBA is willing to promote and encourage public reporting for members, or maybe even partner with an existing reporting framework<sup>1</sup>.

### Progress and accountability

- Accountability can be further driven beyond audits by aiming for better collaboration with suppliers upstream. According to a report from Shift, upstream actors feel that focus today is on punishment. Instead, improvements can be encouraged through positive incentives. An example is sustainability-based financing, where interest rates

are lower for suppliers who perform stronger within environmental and social sustainability<sup>2</sup>.

- The compliance-based way of working has its limitations. Suppliers can become overwhelmed with demands or not include the full picture, simply checking a box to “fake it until they make it”.<sup>3</sup> This leaves room for a more collaborative approach<sup>4</sup>.
  - At the same time, brands can do more to align supply-chain practice with sustainability values, not settling for tick-in-the-box exercises.
  - The Code of Conduct, and audits against it, is the RBA’s main tool for accountability. The Code is dynamic, with updates every three years. Even so it is a floor and not a ceiling<sup>5</sup>. The RBA can encourage progress by sharing and spreading best practices.
- ### Large-scale action
- There is an opportunity to increase impact by scaling successful sustainability initiatives from individual brands, as well as for the RBA to coordinate and initiate more proactive actions that bring together many members. ■

<sup>1</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>2</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>3</sup> Kumi Consulting. “We Have Work To Do: Paradoxes in Responsible Sourcing.” <https://kumi.consulting/insights/we-have-work-to-do-paradoxes-in-responsible-sourcing/>

<sup>4</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>5</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29



# Part II: The IT-buyers

**PROCUREMENT IS SEEN** as the major tool for buyers to drive sustainable change in the industry. This is also why the ASF reports since 2022 include recommendations for buyers.

For this analysis, 21 tender requests from large public and private Nordic organizations were assessed according to criteria that reflect previous ASF recommendations. The requests were randomly selected and do not necessarily reflect the most advanced and ambitious buyers.

Main finding: Buyers have adopted the ASF recommendations, but for large-scale impact tender requirements ought to be more specific and include commitments on progress. Best practices exist but need to be taken up by all buyers.

## Highlights

- + In nearly 50 percent of the tender requests, sustainability is part of the evaluation. This has been brought forward by the industry, claiming that if sustainability demands are valued in procurement decisions, vendors have incentives for being open and material in their disclosure and for investing in more sustainable practices<sup>6</sup>.
- However, many demands are vague and lack concrete deliverables which make them hard to follow up in a meaningful way.
- + Buyers generally push for transparency, for example by requesting a list of the vendor's sub-contractors.
- The information is rarely requested to be publicly available.

- + Most of the procuring organizations request that the bidders work systematically to reduce and prevent carbon emissions.
- Only one requested evidence of actual reductions.
- + A majority of the tender requests mention some kind of human rights standards.
- Only six referred to the UN Guiding Principles on Business and Human Rights.
- + A third included requirements to support the customer's circularity journey or to have circularity targets.
- The majority does not mention circularity at all.

## Improvements for large-scale impact

- Requirements are often unspecific and vague. It is for example more common to ask vendors to account for how they work to reduce carbon emissions than to demand adopted targets or a verification of progress. Unspecific demands make evaluation and follow-up more complicated and prone to arbitrariness. IT buyers can do more to respond to the industry's call for more transparency and clarity around sustainability in procurements.
- Sustainability is often included as part of the quality criteria and not weighed separately. More can be done to make sustainability influence decisions.
- Procuring organizations rarely ask for, or reward, public disclosure of information which is a missed opportunity to drive transparency on a larger scale. ■

<sup>6</sup> 2023 ASF Report, "Time for climate accountability"

# We need actions that lead to large-scale impact. And we all need to deliver.

We all share the same planet – a planet that is moving fast beyond the safe operating space for humanity<sup>1</sup>. At the same time, people are still hurt along the global supply chains. Everyone who provides or buys IT products carry a responsibility to reverse this trend.

**WE, THE BUYERS**, have sought to help the industry accelerate its sustainability journey through the ASF since 2018. As the impact assessment in this report shows, the industry has both improved the discourse on sustainability and initiated some concrete standards and initiatives for advancing sustainability. However, while this is gratifying, we believe that progress is not made at the pace and scale that is warranted by the urgency of the sustainability issues we face. Moreover, there are also signs that progress may be hampered by increasing complexities.

Therefore, all actors in the IT sector need to recognize that our current ways are neither efficient nor sufficient. Pockets of best practices of human rights due diligence, climate action and circular transition exist in specific markets and tiers of the supply chain, but it is far from enough to create impact on a large scale.

For this to happen two things are required:

## 1. A mindset of shared responsibility

We need to move away from a “we and them” attitude and realize that we are all part of an ecosystem. Ecosystems build on mutual benefits and risks; hence, this new

mindset is about fostering partnerships. Incentives, capacity building and shared goals should be the guiding principles, rather than the “comply or else” approach that has been commonplace so far. Also, more downstream actors need to understand better the upstream consequences of their actions and requirements.

## 2. Operationalized and aligned sustainability efforts

Today, sustainability is often retrofitted to a system that is geared against it. For example, business owners, contract managers, and procurement are held accountable for different goals and often do not speak to suppliers in the same way. Greater alignment at the point where decisions are made – that in turn will guide the day-to-day operations – will create a force for sustainable supply chains that is many times more powerful than today.

**We call on all actors of the value chain (our peers, vendors, and their suppliers) to support each other and work together to:**

- Make capacity building and shared goals the core of supply-chain sustainability programs.

<sup>1</sup> <https://www.science.org/doi/10.1126/sciadv.adh2458>

- Apply governance/steering structures that align incentives within procurement and contract management, not least with the goal to identify and prevent practices that cause environmental harm and fuel structural human rights abuses. One example is the connection between short delivery times and the risk of forced labor, overtime, and carbon-intensive means of transportation.
- Set clear and measurable sustainability goals and KPIs that internal stakeholders are held accountable to – from the business needs assessments throughout the whole relationship lifecycle with partners.
- Sharing best practices but also being transparent about what doesn't work – in the interest of collective learning and faster progress.

### We call on brands to:

- Strengthen due diligence in line with the OECD guidelines. This includes laying out appropriate measures and implement practices to prevent and mitigate adverse human rights and environmental impact.
- Reinforce and publicly disclose their capacity-building efforts and their results on supply-chain sustainability.
- Increase the collaboration on these efforts to maximize impact.

### We call on the RBA to:

- Establish a platform that can provide targeted financial support and capacity building as well as share best practices and accelerate the sustainability transition of suppliers, especially in the lower tiers of the supply chain.

## ASF Advisory Board 2024

**Annika Ramsköld,**  
Head of Sustainability,  
Vattenfall

**Cristian Brolin,**  
CDO,  
Södra Skogsägarna

**Helena Babelon,**  
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**Josefin Levander,**  
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**Maria Faergemann Eg,**  
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**Monica Bhattacharya,**  
IT project manager,  
Northvolt

**Thomas Briggman**  
Sustainability leader,  
Ikea

**Tom-Kenneth Fosshiem,**  
Global IT Director,  
StormGeo

**Ylva Svedenmark**  
Sustainability strategist,  
Adda

- Create an interface to share relevant, meaningful information about the progress in the supply chain with buyers. We want to be part of the solution and are keen to ensure we ask more relevant questions, freeing up time for the brands and their suppliers to do the good work they are doing, whilst ensuring we can monitor progress against our shared goals.

### We, the Nordic buyers, commit to:

- Leading the way in operationalizing sustainability in our own organizations by aligning objectives and KPIs all the way from those creating strategies for the digital workplace to procurers and contract managers.
- Continuing to develop best practices for sustainable procurement through our network Leadership for Change. That includes strengthening the focus on capacity building in the supply chain and appropriate procurement practices that prevent structural human-rights abuses.
- Sharing expertise, blueprints, and best practices with peers and brands to level up the general knowledge on sustainability best practices.

We are convinced that the above actions will create large-scale impact through the ripple effect that occurs when each organization operationalizes sustainability – as well as through the exponential effects of establishing more powerful interfaces for knowledge sharing and capacity building.

That's how we turn the pockets of best practices into a mass movement. ■



# Active steps towards impact

**THROUGHOUT THE YEARS** with Atea Sustainability Focus, Nordic IT buyers have not only issued recommendations to the industry but also initiated concrete action to maximize the impact of those recommendations.

The foundation of this is the buyer network Leadership for Change where members have committed to weigh sustainability into all IT purchases, and by that create a market for more sustainable products and services. Members also exchange knowledge and experiences in order to identify the most effective methods for driving sustainable change through procurement. To help other, less mature organizations along, the network shares best practices around different areas. In 2023, the network published their best methods for extending the lifespan of IT products, building on measures implemented by the members. Best practices for creating and implementing a strategy for sustainable IT are scheduled to launch in early 2024.

## A joint roadmap

In the 2021 ASF report, *Faster, together!*, the Advisory Board proposed a joint project with industry actors to develop a roadmap for a circular and net-zero IT sector by 2050. For two and a half years, this roadmap has taken shape through several roundtables and multi-stakeholder working groups.

It now consists of five concrete actions that buyers and the industry have agreed upon are the most relevant to implement in the short term. The actions will be



We will take action to:

- Increase the weight of sustainability in decision making
- Being transparent about our sustainability agenda and about best practices on how to include sustainability in procurement
- Set criteria that can be verified and
- Follow up on criteria during the contract period

From the commitment made by the members of Leadership for Change

undertaken by buyers, using their purchasing power to drive change.

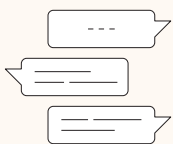
The actions are:

1. Put net-zero aligned Science Based Target as a requirement for vendors in requests for tenders
2. Increase the share of ecolabeled products of the total volume purchased
3. Increase the share of reused devices of the total volume purchased
4. Put requirements on software compatibility with hardware that is in line with the coming EU ecodesign directive
5. Aim to recover 100 percent of retired IT products

Starting off, the actions will be implemented by members of the Leadership for Change. To monitor progress, a reporting framework has been developed through which members will be able to determine both overall progress and to what extent each action contributes. The ambition is also to have a close dialogue with brands, the RBA and other industry actors to see how these actions impact vendors and reveal issues that might need to be addressed.

Read more about the Leadership for Change network and the roadmap on the Leadership for Change website<sup>1</sup>. ■

<sup>1</sup> <https://www.atea.se/en/sustainable-it/atea-sustainability-focus/leadership-for-change/>



**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.



## “Trust becomes the motivator and glue that enables these opportunities to scale within industries.”

Comment from the Responsible Business Alliance on the 2023 report “Time for Climate Accountability”

AS IN PREVIOUS years, the ASF’s 2023 report on accountability succinctly distilled and highlighted many of the pressures that continue to challenge many industries, including those represented by the Responsible Business Alliance (RBA). Primarily, these included how progress toward our collective climate objectives can be stalled due to shortcomings that aren’t always readily apparent. As the RBA continues to increase the environmental performance and commitment of its members and their supply chains, we are again reminded of the critical elements highlighted by ASF’s report:

standardization and communicating progress consistently; transparently and efficiently conveying results to relevant stakeholders; and building trust and collaboration among value chain partners.

In 2023, the RBA took great strides to standardize Greenhouse Gas (GHG) calculation and reporting throughout our members’ supply chains. During 2023 – the inaugural year of the RBA Emissions Management Tool – we saw 17 percent of RBA members empower their suppliers to calculate and share their own Scope 1 and 2 emissions at a facility level. The process was so efficient that more than 1,300 redundant requests for information were eliminated, allowing those suppliers to focus on improvement and capacity building instead of reporting. The intention behind

this level of standardization, transparency, and granularity is to allow companies to calculate their own Scope 3 and product footprints from accurate primary supply chain data. Furthermore, the clear visibility of not only individual supply chains, but the industry at large, can enable better decision making and collaborative on-the-ground interventions that are needed to decarbonize supply chains.

The third element highlighted by ASF’s report, the need for trust and collaboration built among value chain partners, is also crucial to the RBA’s success.

Trust becomes the motivator and glue that enables these opportunities to scale within industries.

For the 30 percent of RBA members that have set 1.5-degree goals accepted by the Race to Zero, success isn’t solely dependent on their own operations but also relies on the trust and progress of all the actors within their value chains. To formalize these practices and expectations, the RBA membership proposed and approved a change to the RBA Code of Conduct and Validated Assessment Program (VAP) to require public reporting of Scope 3 emissions and use of absolute or science-based targets. These changes not only affect the RBA’s 240+ core members, but thousands of their suppliers as well. This momentum is intended to increase environmental performance and, of course, trust across value chains.

The RBA also appreciates the support of the procurement community as we continue to actively engage manufacturers and brands.

While the immediacy of the climate crisis requires action now, the size and scale of IT supply chains will require time and sustained efforts before decarbonization impacts of the scale needed to meet the Paris Agreement’s 1.5-degree goal can be realized. As the ASF report highlights, buyers can play a significant role in encouraging transparency and accountability. However, such encouragement should also understand and reward companies that have started their sustainability journey with earnest efforts, rather than punishing them for not meeting expectations today. This will be especially true as practices and expectations engage the deepest and least mature tiers of supply chains. Success will be achieved in large part due to trust.

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.

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. ■

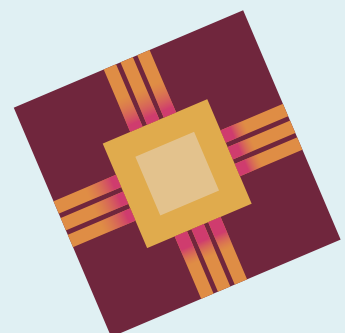
ROB LEDERER,  
CEO of the Responsible Business Alliance

# Concluding thoughts and topics for future discussion

- Progress is not keeping pace with the urgency and scale of the sustainability challenges of the industry. This highlights the need for innovative thinking and to explore new paths.
- Most likely, these paths include collaboration, incentives, and proactive measures to prevent – or even eliminate – the imperfections of the system.
- As suggested by interviewed experts, integrating sustainability into all company processes – from R&D to sales – can have a profound impact. An impact that can be multiplied if this is also cascaded throughout the entire supply chain.
- Buyers and brands should consider finding ways, beyond putting more and harder requirements. One example could be to invest in training for suppliers several layers down.
- A positive sign is the unanimous call for standardized reporting. The RBA sees an opportunity to collaborate with other platforms to develop reporting standards, something that could have considerable impact.
- Collaboration for large-scale action is rare. Buyers should expect the industry to leverage its collective influence and resources to address significant challenges. There are examples from other industries to follow, just as there are scalable solutions from individual companies.
- The RBA appears inclined to pursue this, but it requires willingness from members to provide financing. Are the incentives there? And how can buyers influence collaborative action?
- Legislation is the strongest driver for development, but it is highly dependent on the momentum for change built up in society, by for example buyers. Therefore, advantages can be gained by actors who precede legislative decisions.
- Can buyers work in partnerships with suppliers to improve sustainability in the supply chains? Recent research on EU companies and their non-EU business partners reveals that there is little space for dialogue, including when problems arise, and that contracts often lack mutual or shared responsibilities<sup>1</sup>. ■

## Further Research and Discussion

- Are buyers holding vendors accountable regarding their commitments through the duration of the contract?
- How can all the new information from extended supply-chain mapping be shared with the buyers?
- How can the RBA effectively drive progress for its members using its two main platforms: membership requirements and the Code of Conduct?



<sup>1</sup> From policing to partnership. Designing an EU due diligence duty that delivers better outcomes. <https://shiftproject.org/wp-content/uploads/2023/05/Policing-to-Partnership-May-2023.pdf>

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# “No Actor Can Move the Needle Alone”

- An Analysis of the Current Status of ASF Recommendations and Progress in Sustainability for the IT Industry

Authors: Sophie Lahey, Sanna Wolff

## Summary

This is an analysis of the current state of ASF recommendations from the past six years. It is based on four underlying mechanisms that have been identified by the Nordic IT buyers as crucial for influencing sustainability development in the IT sector: accountability, transparency, progress, and large-scale action.

Through examining the current state and progress of these mechanisms at the three levels that form the basis for the ASF initiative – industry, brand, buyer – the ASF recommendations have been implemented to some extent on all levels. In some cases, such as transparency, development has been slow. The analysis uncovers several opportunities to strengthen the mechanisms and by that the sustainable development of the IT sector. Realizing these opportunities, however, requires new ways of thinking and new types of partnerships.

## Introduction

When reviewing the recommendations in the previous reports, four mechanisms are recurring.

1. **Accountability** – How actors in the IT value chain, such as brand owners, sub-contractors, and buyers of IT equipment, to a larger extent than today can be held – and hold themselves – accountable for their actions (as well as inactions).

2. **Transparency** – A prerequisite for the other mechanisms. Covers both transparency regarding supply-chain issues and actors' overall sustainability performance, including the risk of greenwashing.

3. **Demonstrated progress** – The extent to which the IT sector is actually moving forward, how brands deliver on their own commitments and how this is demonstrated to buyers.

4. **Large scale action and impact** – How actors in the IT sector use their combined influence and strength for proactive measures to become a positive force for change.

The analysis investigates the current state of these aspects as well as how they can be strengthened to increase impact. The findings build on desktop research and interviews with industry experts Andrew Britton, CEO of Kumi Consulting; Tyler Gillard, Chief Strategy Officer at the Responsible Business Alliance; Louise Rehbinder, Director of the Exponential Roadmap Initiative, as well as brand representatives Mary Jaques, Executive Director, Global ESG & Regulatory Compliance at Lenovo; and Pamela Wood, Manager Human Rights and Responsible Supply Chains at HPE. ■

# Part I: The industry and individual brands

## 1. The Responsible Business Alliance

To be able to target the whole IT industry, the ASF reports are primarily addressed to the Responsible Business Alliance (RBA). Each report is evaluated and assessed, and recommendations are taken forward where the industry can and should play a role. A continuous dialogue and follow-up is part of the ASF initiative.

### 1.1 Status of ASF recommendations Methodology

The level of implementation of the ASF recommendations 2018–2023 has been assessed based on the RBA’s annual reports and is summarized in Table 1. Each quarter of a circle represents the state of recommendations, from 1/4 meaning that the topic might have been mentioned but no goals were set, to 3/4 indicating there were mentioned goals and progress for the recommendation. No goals have been reached, which would have been indicated by a whole circle.

### 1.2 Findings

As indicated in Table 1, results and implementations of recommendations vary. Circular economy has been the main topic of several of the reports, and while the concept has been increasingly included in the discourse, the tangible work is being done in the Circular Electronics Partnership, which the RBA co-founded. The RBA has developed several tools to drive transparency and accountability, but they need to be deployed by members to have an impact.

### Main finding: Uniform reporting and standards are still needed and seen as a priority

Several ASF recommendations have targeted the need for uniform reporting standards – for supply-chain sustainability<sup>1</sup>, product lifespan<sup>2</sup>, and carbon-footprint reporting across all scopes<sup>3</sup>. So far, no such standards have been developed or recommended. The RBA acknowledges that they are not a reporting standards organization<sup>4</sup>, but says they can promote and encourage public reporting for members, or maybe even partner with an existing reporting framework<sup>5</sup>.

### Main finding: Outsourcing efforts regarding the circular economy

The many ASF recommendations around circular economy have mainly resulted in that the RBA co-founded the Circular Electronics Partnership (CEP), a multi-stakeholder initiative with the ambition to create a circular electronics industry by 2030<sup>6</sup>.

Measurable progress for the work of the CEP has been hard to define<sup>7</sup>. All projects on the website listed as “ongoing” are in beginning phases<sup>8</sup>. The partnership has the potential of large-scale impact but has still to deliver actionable elements, such as practical guidelines or standards for circular design. It is critical that the CEP does not become the type of collective action Andrew Britton of Kumi consulting warns about, where actors hide behind a collaborative effort without demonstrating progress or accountability<sup>9</sup>.

<sup>1</sup> 2018 ASF Report, “Transparency A prerequisite for sustainable development”

<sup>2</sup> 2022 ASF Report, “Get more from less – extending the lifespan of IT products”

<sup>3</sup> 2023 ASF Report, “Time for climate accountability”

<sup>4</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>5</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>6</sup> Circular Electronics Partnership. <https://cep2030.org/>

<sup>7</sup> Circular Electronics Partnership. “Circular electronics systems map An industry blueprint for action”. <https://cep2030.org/files/cep-system-map-2022.pdf>

<sup>8</sup> Circular Electronics Partnership. Our Projects. <https://cep2030.org/our-projects>

<sup>9</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21



Table 1



ASF Report Year	ASF Rec	State	Notes
<b>2018</b> Transparency: A prerequisite for sustainable development	RBA should over the short/medium period focus on transparency beyond the first tier (a prerequisite).		
	RBA should focus on establishing and implementing a uniform reporting framework for the electronics industry, for reporting aggregated impact across core material indicators over the entire supply chain at a company level, thus beyond first tier.		
<b>2019</b> Circular Economy: The foundation of a sustainable IT industry	Initiate the development of a certifiable ISO standard on circularity for the IT industry.		Not mentioned in CEP/RBA
	Establish principles for including circular economy provisions in the Code of Conduct and audit protocols.		None mentioned
	Facilitate roundtable discussions on circular economy design and marketing.		Landscape assessment – working with partners
	Launch academy trainings on circular design.		Part of CEP roadmap
	Establish a task force on circularity focused on influencing international rules and regulations and sustainability labels towards circularity.		
	Facilitate stakeholder dialogues regarding the standardization of components and materials - "One cord only".		Dialogue with CEP partners but unclear regarding if it's about standardization
<b>2020</b> Closing the Loop on Materials	Reach an industrywide agreement on critical obstacles and incentives to close the loop on materials in the value chain; condense the findings in a report and invite stakeholders - including buyers - to a dialogue.		Obstacles identified in RBA annual report 2021. CEP assessment.
	Through a systematic and science-based approach, identify which materials are the most significant to close the loop on in order to maximize the sustainability impact (environmental, social and economic). Share findings with the IT buyers.		Outsourced to CEP
	When focusing on supply chain design for closing the loop on materials, define principles of a system for material recovery that is resource, energy and cost efficient, while also mitigating social impact.		Outsourced to CEP
	From a system's perspective, investigate and report on how different approaches to development and design of systems, products and services can affect the value of materials and the ability to recover them.		Outsourced to CEP
	Based on points 1-4, develop recommendations to buyers on how their actions can support the progress toward a circular and climate-neutral IT industry.		Part of long-term CEP roadmap



Mentioned, no goals



Mentioned, goals



Mentioned, goals + progress



Mentioned, goals reached

ASF Report Year	ASF Rec	State	Notes
<b>2021</b> Faster, together! How to Speed Up the Sustainable Transformation	A platform for circular design that defines best practices for industry and buyers.		CEP as a platform currently
	Transparent information to buyers about progress in circular design, materials reuse and reparability/ modularity among others, including auditable circular-economy code provisions.		Transparent about obstacles; CEP provides roadmap
	Adaptation of existing standards for circularity to fit them to the challenges of the industry.		Part of CEP roadmap to create standards and “accounting”
	A common understanding of what is important from an impact perspective translated into science-based sustainability requirements that can be included in the tender process.		Procurement part of CEP roadmap
<b>2022</b> Get more from less: extending the lifespan of IT products	Assess, develop and recommend standards on lifespans: What is out there, what can be used by the industry, what aspects are critical for prolonged lifespan and to minimize the use of resources?		Couldn't find mention in CEP or RBA reports
	Develop practical guides and tools such as a maturity model for brands and suppliers on the different aspects of the circular economy.		
	Develop guidelines for how buyers can set effective procurement requirements on this.		Mentioned in circular materials landscape assessment
	Assess and inform on what impact the shift to circularity will have on livelihoods and skills, and the respective roles of both governments and industry in reskilling workers.		Part of CEP
	Influence granular reporting standards that are more representative of the IT industry (PCF, EU PEF, ITU).		Reporting part of CEP; unclear if granular
	Support more specifically the sustainability journey of less mature producers of peripherals and accessories within the RBAs scope.		
	Engage in the removal of external barriers for this transition, by for example influencing international and government policy to facilitate export of used IT equipment and recycling of rare materials.		Mentioned barriers – CEP as opportunity to remove barriers
<b>2023</b> Time for Climate Accountability	Promote harmonized and transparent reporting across all scopes and develop tools for this (for example maturity models and scope 3 reporting, code, and VAP criteria).		Emissions management tool and supply chain mapping tool
	Drive an internal culture of accountability in the membership by clearly assessing compliance.		Inclusion of significant aspects of scope 3
	Drive external accountability by strengthening the membership-level criteria to support such compliance.		
	Initiate and support local initiatives which aim to leverage the power of the collective to tackle decarbonization where the emissions actually take place, increasing awareness and bringing together multiple stakeholders.		RMI more mature in this area
	Acknowledge the impact of the climate crisis on human rights by aligning industry supply-chain sustainability practices with the UN Guiding Principles on Business and Human Rights (UNGPs), primarily through the full alignment of the RBA tools.		Revision process of RMI with regards to UNGPs
	Publish an annual report of the overall status of the industry on transitioning to net zero and - eventually - on members 1.5-degree and net-zero goals and status.		None mentioned

## 1.3 Status of the four mechanisms in the RBA and industry

### 1.3.1 Methodology

To evaluate the status of the four mechanisms in the RBA and the industry as well as how it has evolved, RBA annual reports from 2018–2022 (the most recent), RBA’s initiatives for minerals, labor, factory, circular economy, and environmental maturity were reviewed. Interviews provided more context and information on challenges that the RBA faces, as well as on upcoming initiatives that synergize with the mechanisms.

### 1.3.2 Accountability – moving beyond audits to proactive measures and incentives

#### Current accountability driven by audits and self-assessments

For the RBA, the cornerstone of accountability is audits conducted against the RBA Code of Conduct and self-assessments, for example on environmental maturity<sup>10</sup>, and assessments carried out within sub-initiatives such as Responsible Minerals Initiative and Responsible Factory Initiative<sup>11</sup>. Their main purpose is to establish a floor rather than to establish best practice. This is the dominating approach also outside of the IT industry, as many EU companies still mainly rely on third-party certifications and social audits to demonstrate due diligence.<sup>12</sup>

This compliance-based way of working has its limitations. Suppliers can become overwhelmed with demands or not include the full picture, simply checking a box to “fake it until they make it”.<sup>13</sup> It is important to recognize that suppliers may not have the same environmental maturity or capability as more mature actors downstream<sup>14</sup>. This leaves room for a more collaborative approach<sup>15</sup>.

Both Andrew Britton and Tyler Gillard point out that buyers and brands need to be mindful when setting expectations for suppliers upstream<sup>16</sup>. Downstream actors have the privilege to say “work harder”, but it is the suppliers that have to figure out how to implement living wages or to cut emissions – often with less mature and smaller sustainability organizations<sup>17</sup>.

#### Accountability through proactive engagement with suppliers

While audits play an important role, there are limitations. Too often, lengthy questionnaires are passed down in the supply chain, making this a one-sided approach.<sup>18</sup> There are also limits to audits: they are not measuring progress over time, they cannot tackle complex issues, and it is hard to evaluate the effectiveness of the corrective actions<sup>19</sup>. Furthermore, going beyond audits will be key to moving companies along the sustainability journey<sup>20</sup>. According to a report from Shift, upstream actors feel that focus is on punishment and that there are few “positive incentives or innovative strategies to encourage suppliers to tackle issues”<sup>21</sup>.

One example of an incentive is sustainability-based financing, where interest rates are lower for suppliers who perform stronger within environmental and social sustainability<sup>22</sup>.

The RBA is currently working on expanding an existing sustainable financing platform to make these financial incentives available to members<sup>23</sup>.

### 1.3.3 Transparency – Challenges of trade secrets and interoperability

Transparency is integral to the other mechanisms as transparency can create faster progress<sup>24</sup>. Transparency is emphasized by experts as extremely critical<sup>25</sup>, especially as the risk of intentional and

<sup>10</sup> 2022 RBA Annual report

<sup>11</sup> 2022 RBA Annual Report

<sup>12</sup> Shift Project. “From Policing to Partnerships”. <https://shiftproject.org/wp-content/uploads/2023/05/Policing-to-Partnership-May-2023.pdf>

<sup>13</sup> Kumi Consulting. “We Have Work To Do: Paradoxes in Responsible Sourcing.” <https://kumi.consulting/insights/we-have-work-to-do-paradoxes-in-responsible-sourcing/>

<sup>14</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21

<sup>15</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>16</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21

<sup>17</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21

<sup>18</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>19</sup> Kumi Consulting. “We Have Work To Do: Paradoxes in Responsible Sourcing.” <https://kumi.consulting/insights/we-have-work-to-do-paradoxes-in-responsible-sourcing/>

<sup>20</sup> Shift Project. “From Policing to Partnerships”. <https://shiftproject.org/wp-content/uploads/2023/05/Policing-to-Partnership-May-2023.pdf>

<sup>21</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>22</sup> Shift Project. “From Policing to Partnerships”. <https://shiftproject.org/wp-content/uploads/2023/05/Policing-to-Partnership-May-2023.pdf>

<sup>23</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>24</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>25</sup> TCO Certified. 2023-04-11. “IT industry welcomes dialog for improved sustainability”. [https://tccertified.com/news/it-industry-welcomes-dialog-for-improved-sustainability/?utm\\_content=266909819&utm\\_medium=social&utm\\_source=linkedin&hss\\_channel=lcp-282448](https://tccertified.com/news/it-industry-welcomes-dialog-for-improved-sustainability/?utm_content=266909819&utm_medium=social&utm_source=linkedin&hss_channel=lcp-282448)

unintentional greenwashing in sustainability reporting is “very, very large”<sup>26</sup>. In 2018, ASF highlighted that transparency only exists in the first tier of suppliers, while many of the environmental issues occur beyond this<sup>27</sup>. Transparency was explored again in 2023 as the concept has evolved over time<sup>28</sup>.

### **Fear of transparency still lingers**

A persisting challenge is the unwillingness to share information about suppliers, due to the fear of revealing trade secrets<sup>29</sup>. This hesitation also includes sharing information to collaboration platforms such as the RBA<sup>30</sup>. Even though the RBA has developed several tools that would facilitate transparency, these tools are underutilized<sup>31</sup>. According to Gillard, only a handful of contract manufacturers have used the supply-chain mapping tool, and the use is mainly limited to tier 1 and 2<sup>32</sup>.

Another recurring fear is the potential negative effects of being transparent about challenges, adverse impacts, and risks. The interviewed experts testify that this remains as one of the largest obstacle for transparency since it is perceived to increase exposure and criticism<sup>33</sup>. As Gillard mentioned, companies that want to make the most impact will take on the most risk<sup>34</sup>.

### **Future opportunities to make sure transparency is better standardized**

Additionally, as brought up by Gillard among others, transparency needs standards, so that what companies are measuring can be interoperable<sup>35</sup>. This has been part of ASF recommendations in the 2018 report, as well as in 2023, then focusing on climate: “Promote harmonized and transparent reporting across all scopes and develop tools for this”<sup>36</sup>. RBA responded already in 2019 by publishing a transparency in procurement

guide to establish an expected level of transparency for both members and buyers<sup>37</sup>. It seems though as few members are using this guide or even know it exists. It isn’t promoted and it hasn’t become industry standard. According to Gillard, the RBA could collaborate with existing reporting platforms as they have no ambition to become a reporting standards organization<sup>38</sup>. Mary Jaques emphasized that having standards that make sense across platforms and to a variety of stakeholders helps with comparison and measuring progress<sup>39</sup>.

### **1.3.4 Progress – Driving progress beyond regulation**

Currently, most pressure on companies to demonstrate progress is driven by regulation<sup>40</sup>, not least the EU Corporate Sustainability Reporting Directive (CSRD). Legislation is an important mechanism to increase the rigor of sustainability definitions and harmonized reporting<sup>41</sup>. However, it is a slow process which only defines the minimum expectations.

### **B2B pressure and other means**

Business-to-business (B2B) pressure is a unique opportunity to influence the sustainability progress of other companies in a way individual consumers may not be able to<sup>42,43</sup>. This shouldn’t be seen as a way of simply telling other businesses in the supply chain what to do – “take the code” – but rather taking on a less top-down and more collaborative approach<sup>44</sup>. Historically, the tech industry is good at supply-chain partnerships, for example within R&D, whereas sustainability people come in after the fact and say “comply or else”<sup>45</sup>. Gillard would like to see that the industry worked more with incentives and less with sticks. While it may be more comfortable, compliance will be limited to the bare minimum if the supplier lacks resources to implement<sup>46</sup>. For the RBA,

<sup>26</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21

<sup>27</sup> Louise Reh binder; Director at Exponential Roadmap Initiative. Interview. 2023-10-05

<sup>28</sup> 2018 ASF Report, “Transparency A prerequisite for sustainable development”

<sup>29</sup> 2023 ASF Report, “Time for climate accountability”

<sup>30</sup> 2023 ASF Report, “Time for climate accountability”

<sup>31</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>32</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>33</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>34</sup> Louise Reh binder; Director at Exponential Roadmap Initiative. Interview. 2023-10-05

<sup>35</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>36</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>37</sup> 2023 ASF Report, “Time for climate accountability”

<sup>38</sup> RBA. “RBA Practical Guide to Transparency”. <https://www.responsiblebusiness.org/publications/rba-practical-guide-to-transparency>

<sup>39</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>40</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03

<sup>41</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21

<sup>42</sup> 2023 ASF Report, “Time for climate accountability”

<sup>43</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21

<sup>44</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03

<sup>45</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>46</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29



working with incentives becomes increasingly important when the dynamics of the supply chain are changing. In the battle for raw materials, new producers can choose who they sell to<sup>47</sup>.

B2B pressure is also exercised by investors who are starting to request more ESG information from the companies they invest in<sup>48</sup>. Investors provide more collective power than individual consumers<sup>49</sup>. Considerable pressure can also come from employees who want to be working for companies with a strong sustainability commitment<sup>50</sup>.

### **Membership requirements as a floor, not the ceiling**

For the RBA, membership requirements and the Code of Conduct help set standards for accountability in the industry. The Code is dynamic, with updates every three years. For example, the previous version of the Code (7.0) included public disclosure of scope 1 and 2 carbon emissions and setting reduction targets<sup>51</sup>, which was not present in earlier

versions<sup>52</sup>. The recent version (8.0) that came in effect in January 2024, requires reporting of “significant aspects” of scope 3, increasing the expectations on members to demonstrate progress<sup>53</sup>. Even so, as Gillard puts it, the Code is a floor and not a ceiling<sup>54</sup>.

There are four levels of membership in the RBA: Full, Regular, Affiliate, and Supporter<sup>55</sup>. From Affiliate and up, you commit to adhering to the Code, and more extensive reporting is required from Full members. In that sense, membership levels promote transparency and accountability. This analysis did not find signs that members are encouraged to move up levels, nor that the membership requirements have changed during the years of ASF. The conclusion therefore is that membership requirements and levels are not used by the RBA to drive progress.

According to Gillard, the RBA has the opportunity to shift from being viewed as “policing” members through audits,

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<sup>47</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>48</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>49</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03

<sup>50</sup> The Financial Times. “So You Think You Know Your Supply Chain.” <https://www.ft.com/content/687c2a10-403b-4a93-85c0-3ede41af5d09>

<sup>51</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03.

<sup>52</sup> RBA Code of Conduct 7.0 <https://www.responsiblebusiness.org/code-of-conduct/>

<sup>53</sup> RBA Code of Conducts V7.0 and 6.0 Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>54</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>55</sup> 2021 RBA Annual Report



to being more of a coach, even though membership requirements still need to be upheld<sup>56</sup>.

### **Supporting progress through best practices**

Encouraging progress can also be done through establishing best practices. The best example of this within the RBA is the Responsible Factory Initiative (RFI) and its Factory of Choice Program<sup>57</sup>. The program provides incentives for factories to improve conditions that go beyond audits and set examples for others to aspire to.

Previously the RBA had the Compass Awards recognizing member excellence in three categories: Leadership, Innovation, and Implementation. The awards were meant to serve as examples of successful actions that other companies could emulate<sup>58</sup>; however, the initiative has been discontinued.

### **1.3.5 Large-scale action – Collaboration for driving progress, not to hide behind Current State**

The RBA was founded to promote large-scale action and collaboration around audits, compliance, and reporting<sup>59</sup>. For brands and their suppliers, the RBA offers an opportunity to collaborate and learn from others that wouldn't otherwise exist<sup>60</sup>. The ASF reports have urged the RBA to use its collective power for more proactive action, for example by pushing for changes in legislation around e-waste (2019) or to initiate and support local initiatives to tackle climate change in the supply chain (2023).

### **Supporting initiatives that can drive large-scale impact**

An example where the RBA has played the type of proactive and collective

role which the ASF reports suggests is “Project Uplift”, a worker-relief fund that was launched in 2021 in response to the pandemic<sup>61</sup>. This fund supported projects that brought aid to workers negatively affected by the pandemic, for example through creating economic opportunities for repatriated workers<sup>62</sup>. Another example is the previously mentioned sustainability-based financing initiative currently being discussed<sup>63</sup>.

Large-scale action also includes scaling successful initiatives from individual members. One such example could be mobile-phone brand Fairphone, that works to ensure living wages and has a bottom-up approach to engage the mining supply chain<sup>64</sup>. The impact of these efforts would be much greater if they were adopted and further developed by other RBA members. Gillard sees that RBA can take a matchmaking role, but that would require members to go beyond their dues<sup>65</sup>.

## **1.4 Learnings and inspiration from other industries**

### **1.4.1 Garment industry: Suppliers setting expectations for buyers**

As previously mentioned, buyers could engage more with suppliers in setting sustainability targets and expectations for their supply chain. This would avoid a top-down approach where upstream suppliers are being handed sustainability expectations or targets without input on feasibility or implementation<sup>66</sup>. There is an example from the garment industry where suppliers have been able to set the standards of what they expect from buyers<sup>67</sup>. The Suppliers Terms of Trade Initiative<sup>68</sup> is a manufacturer-driven initiative that reverses supply-chain expectations<sup>69</sup>, creating better dialogue and expectations between brands/buyers and suppliers. ■

<sup>56</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>57</sup> 2021 RBA Annual Report

<sup>58</sup> RBA. <https://www.responsiblebusiness.org/news/compass-awards-2019/>

<sup>59</sup> RBA. About. <https://www.responsiblebusiness.org/about/rba/>

<sup>60</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03

<sup>61</sup> 2021 RBA Annual Report

<sup>62</sup> 2021 RBA Annual Report

<sup>63</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>64</sup> Fairphone. “Supply Chain Engagement: from Risk to Impact”. [https://www.fairphone.com/wp-content/uploads/2021/12/Supply-Chain-Engagement-FP4-2021\\_FINAL.pdf](https://www.fairphone.com/wp-content/uploads/2021/12/Supply-Chain-Engagement-FP4-2021_FINAL.pdf)

<sup>65</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>66</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>67</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>68</sup> Sustainable Terms of Trade Initiative. <https://sustainable-termsoftradeinitiative.com/>

<sup>69</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

## 2. Individual brands

This section focuses on the four mechanisms, transparency, accountability, progress, and large-scale action on a brand level. What is the status, and how are brands using their sphere of influence to strengthen these mechanisms?

*Disclaimer: The analysis does not aim to evaluate brands in terms of sustainability, but to understand status, obstacles, and opportunities for the abovementioned mechanisms on the brand level in general.*

### 2.1 Methodology

A set of previous ASF recommendations representative of the four mechanisms were selected and translated into criteria

that could be looked for in publicly available information. Sustainability reports and websites of three major brands were evaluated according to the criteria, and the information is compiled in table 2. Please note that these evaluations are based on best-available information found in public reports and on brand websites.

### 2.2 Findings

The overall results are quite positive, indicating that progress has been made during the years with ASF. The greatest challenges still evolve around transparency, while circular economy seems to be developing fast, not least the fact that all investigated brands offer reused products to the B2B market.

Table 2

Brand Mapping			
	Brand 1	Brand 2	Brand 3
<b>Transparency</b>			
Does the sustainability reporting include a description of human rights risk?	Yellow	Green	Green
Does the sustainability reporting include a description of salient risks adverse impacts?	Red	Green	Green
Is there a publicly available list of suppliers	Green	Yellow	Green
Is there a publicly available list of smelters?	Red	Green	Red
<b>Accountability</b>			
Do they include circular economy requirements/activities in their supply-chain programs?	Green	Green	Green
Are labor and management systems aligned with UN Guiding Principles on Business and Human Rights?	Green	Green	Green
<b>Progress</b>			
Do they offer reused products (also to B2B market)?	Green	Green	Green
Do they report on carbon emissions reductions (incl. scope 3 – purchased goods and services/supply chain)?	Yellow	Green	Green
<b>Large-scale action</b>			
Are there any examples of collaboration with other industry actors to proactively address/solve sustainability challenges?	Green	Green	Green
Does publicly available reporting include evidence of local climate initiatives in the supply chain?	Yellow	Green	Yellow

### 2.2.1 Transparency – Challenges down the supply chain and transparency as an opportunity

Sourcing of minerals represents a significant risk for companies and their supply chains as it is an area where transparency is low<sup>70</sup>. Not all brands provided a list of smelters, showing the challenge in reporting and obtaining information from further down the supply chain, which was brought up in the 2018 ASF report<sup>71</sup>.

Pamela Wood stresses that although transparency has largely increased in the industry, it is still a major challenge for companies to gain knowledge of what is happening deep down in the supply chains: “How do you start when you don’t have direct contacts with for example the mines?”<sup>72</sup>. According to Wood, more brands are disclosing their supplier lists, but there is still a lot of unwillingness<sup>73</sup>. An essential development that Wood wishes to see is that all the actors of the industry map their supply chains and advance supply-chain transparency. As part of the dialogue within the RBA on how to leverage the RBA platform and update the Code of Conduct, HPE has proposed that all members disclose their suppliers to either RBA or their customers<sup>74</sup>.

#### *Transparency as an opportunity for recognition and standardization*

There are other signs of progress within the area of transparency. According to Wood standard audits don’t always spot forced labor, and additional methods for detecting it are needed<sup>75</sup>. The tool SVAP, an assessment program for forced labor due diligence, and HPE’s own assessment tool for migrant working standards, are examples of initiatives that have helped companies find violations at an earlier stage. Jacques also emphasizes the use of RBA tools to increase transparency,

especially for suppliers that are not mature in terms of sustainability<sup>76</sup>.

While regulations can be a way to standardize information, and potentially increase transparency through creating a common framework or approach for sustainability reporting<sup>77</sup>, an ironic side-effect, according to Wood, is that increased regulation may risk the willingness or ability amongst industry actors to share information. With an increasingly regulated landscape comes the many commercial hurdles, steps, risks, and costs associated with ensuring compliance<sup>78</sup>.

As noted in the section on the industry, transparency is still perceived as a risk, but Wood says increasing transparency can strengthen the brand and elevate ESG efforts<sup>79</sup>. Comparing sustainability reports from 2018 and 2023 reveal signs of this development: HPE now reports specific indicators such as number of women and number of migrant workers in their facilities. To add, in 2023 HPE published their first human rights report which will be issued on an annual basis.

### 2.2.2 Progress – Varied challenges, drivers, and results

When evaluating progress, it becomes clear that there are many ideas regarding progress and how it is demonstrated. It is for example difficult to assess if specific actions around climate will lead to the fulfilment of companies’ net-zero goals, i.e. drive progress, or if they are actions without a real connection to a plan or a goal. In general, it can be concluded that even though emissions are increasingly being covered by net-zero targets, they are still increasing globally<sup>80</sup>.

When looking at progress related to the circular economy, all brands covered

<sup>70</sup> OECD (2016), OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264252479-en>

<sup>71</sup> 2018 ASF Report, “Transparency A prerequisite for sustainable development”

<sup>72</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>73</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>74</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>75</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>76</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03

<sup>77</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03

<sup>78</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>79</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>80</sup> McKinsey. 2022-04-12. “Playing offense to create value in the net-zero transition”. <https://www.mckinsey.com/capabilities/sustainability/our-insights/playing-offense-to-create-value-in-the-net-zero-transition>

in this analysis offer reused products, even in the B2B market. Even though the evaluation did not cover how the offerings have developed throughout the years, it is probably safe to say that this is progress that has been made in recent years. All evaluated brands report on carbon emissions reductions, including at least some aspects of Scope 3. While a progress in itself, what matters is the ability to take action based on the results<sup>81</sup>.

#### *Legislation driving brand progress*

During the interviews, brand representatives mention that regulation should be the starting point<sup>82</sup>. However, the recent news of Apple updating their phone charging ports to match EU regulations provides an example of how strong a driver legislation is even for mature companies<sup>83</sup>. Another example, raised by Wood, is that modern slavery reporting legislation has increased industry reporting on the matter<sup>84</sup>.

#### *Progress drivers from within*

Another potentially strong driver for progress is the brands' own organizations. Louise Reh binder says that the ability to drive progress requires engaging employees beyond the sustainability team<sup>85</sup>. This includes making employees in procurement, R&D, sales, and all other departments responsible for sustainability targets. For sustainability work to be effective, it has to be a holistic effort and not limited to the actions of one team<sup>86</sup>.

#### *Remaining challenges and utilizing industry-wide collaboration*

The challenges for achieving and showing progress within human rights and working conditions have shifted over the years<sup>87</sup>. Ten years ago, the main problem was to identify risks, and as described above, there was a lot of unwillingness



The main remaining challenge is now how to prevent human rights violations.

within the supply chains. Another challenge for the industry has been to provide remedies for those affected. According to Wood, there has been visible progress within both these areas in recent years through transparency, advanced standards, policies, monitoring, and guidance on remedy, especially the repayment of recruitment fees. The main remaining challenge is now how to prevent human rights violations from occurring<sup>88</sup>.

#### **2.2.3 Large scale action –**

##### **“No actor can move the needle alone”**

Brand representatives see the potential of large-scale action through capacity-building initiatives. One example is a free human-rights training tool for workers that is developed in partnership between HPE, peers in the industry and the RBA<sup>89</sup>. As Wood describes it: “We see it as critical to collaborate, and collaboration is always built into our programs. No actor can move the needle alone.”<sup>90</sup> Jacques emphasizes the importance of large-scale platforms such as the RBA to provide a forum for education and training to a wide variety of members, allowing for collaborations and knowledge-sharing that would not have otherwise happened<sup>91</sup>.

#### *Large-scale climate action lacking*

In the 2023 ASF report, Nordic IT buyers urged brands to invest in local

<sup>81</sup> Louise Reh binder; Director at Exponential Roadmap Initiative. Interview. 2023-10-05

<sup>82</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03

<sup>83</sup> Meghan McCarty Carino. Marketplace. 2023-09-12. “Apple’s new iPhone 15 is just one example of how EU regulation is changing tech” <https://www.marketplace.org/2023/09/12/apples-new-iphone-eu-tech-regulation/>

<sup>84</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>85</sup> Louise Reh binder; Director at Exponential Roadmap Initiative. Interview. 2023-10-05

<sup>86</sup> Louise Reh binder; Director at Exponential Roadmap Initiative. Interview. 2023-10-05

<sup>87</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>88</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>89</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>90</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>91</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03



The more we can collaborate,  
the more impact we can have.

energy-transition initiatives and other capacity-building programs, supporting both the transition and compensating for environmental and social harm linked to climate<sup>92</sup>. When evaluating sustainability reports, only one company demonstrated work with local climate initiatives. Brands reported on collaborations with NGOs on a local level, but mostly in the form of providing funding, and less as a means of supporting large-scale action.

#### 2.2.4 Accountability – collaboration and aligning with values

One approach for brands to standardize their work within human rights is to align labor and management systems with UN Guiding Principles of Businesses and Human Rights (UNGPs). HPE wants to build more awareness around the UNGPs as a tool for increased accountability and share their own experiences with peers in the industry<sup>93</sup>. Wood stresses that “The more we can collaborate, the more impact we can have”<sup>94</sup>.

Increased mapping and collaborations between brands have been raised in the interviews with brand representatives as opportunities to assess and heighten responsibility in the supply chains. Accountability is considered to be closely linked to transparency and something that must be shared with all actors, including buyers and suppliers. According

to Wood, this is especially important for the electronic industry with complex supply chains that are webs rather than straight chains: “Because the supply web is constantly changing, transparency is often lacking”<sup>95</sup>. Furthermore, Jaques sees the opportunity to align stakeholders on language, methodology and goals to increase accountability<sup>96</sup>.

*Cascading sustainability for increased impact*  
Beyond the RBA, there is an opportunity for large companies to take responsibility by “cascading” sustainability initiatives<sup>97</sup>. By engaging in effective dialogue and educational initiatives with actors along the supply chain, companies can use their influence to assist less mature suppliers’ sustainability journey<sup>98</sup>.

*Acting in accordance with values*  
Britton says companies should ask themselves if they conduct due diligence in a way that meets the company’s own requirements and are acting in ways that are consistent with their values<sup>99</sup>. Using the minerals supply chain as an example, he says that the information provided through industry schemes is quite basic and that there is no reason why brands can’t go to the smelters and get more information of where they obtain their minerals. To his knowledge, this is rarely the case<sup>100</sup>. ■

<sup>92</sup> 2023 ASF Report, “Time for Climate Accountability”

<sup>93</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>94</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>95</sup> Pamela Wood, Manager Human Rights and Responsible Supply Chains, HPE. Interview 2023-09-23.

<sup>96</sup> Mary Jacques; Executive Director, Global ESG & Regulatory Compliance at Lenovo. Interview. 2023-10-03

<sup>97</sup> Louise Rehlinger; Director at Exponential Roadmap Initiative. Interview. 2023-10-05

<sup>98</sup> Louise Rehlinger; Director at Exponential Roadmap Initiative. Interview. 2023-10-05

<sup>99</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21

<sup>100</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21



### 3. Conclusions from Part I

**Overall**, the implementation of ASF recommendations by the RBA has been varied, with most room for growth in circular economy and contributing to standardization in reporting. On the brand level, the examined brands have individually implemented some of the ASF recommendations, such as aligning themselves with UNGPs and reporting on carbon emission reductions.

**Progress** needs to be driven beyond regulation and compliance, as these mechanisms are seen as a baseline. Pressure may come from other businesses, investors, internally from employees, and collaboration platforms. Progress is demonstrated in different ways, making it difficult to assess the actual impact. RBA can facilitate progress by defining and sharing best practices.

**Accountability** can be further driven beyond audits by aiming for better collaboration with suppliers upstream, who are the ones that are responsible for the actual implementations. Downstream actors should make sure questions are material and will impact decision making, as well as look to increase efforts around dialogue, incentives, and support.



**Transparency** is critical for advancing the other mechanisms. Despite transparency remaining a high-priority topic within sustainability, obstacles like fear of disclosing trade secrets and the risk of criticism by sharing challenges and adverse impacts remain, and little progress can be seen. Tools developed by the RBA to increase transparency are underutilized.

**Large-scale action** is still immature but there are positive signs of uptake. There is an opportunity to increase impact by scaling successful sustainability initiatives from individual brands, as well as for the RBA to coordinate and initiate more proactive actions that bring together many members. ■

# Part II: IT buyers

As sustainable development relies on the engagement from all actors in the IT sector, it is crucial to investigate how Nordic organizations are reinforcing the ASF recommendations through their procurement practices.

## 1. Buyers' role in the value chain

Purchasing power is traditionally enforced through sustainability requirements, but buyers are located far from the supply chains. Because of this, they risk applying their view of the world on the suppliers, with little knowledge of the consequences<sup>101</sup>. Britton warns that questions from buyers that are forwarded up the supply chain soon will stop making sense, which will lead to downstream actors getting back the answers they want to hear. Buyers must become much better at asking relevant questions that actually will influence the purchasing decision<sup>102</sup>. Sustainability requirements is a two-way street according to Gillard, who points out that no one is asking upstream suppliers for their perspective and what they expect from the buyer<sup>103</sup>.

### 1.1 The (underutilized) power of procurement

Procurement is seen as the major tool for buyers to drive sustainable change in the industry. This is also why the ASF reports from 2022 include recommendations for buyers. As part of the dialogue within ASF, the industry has urged the buyers to be transparent regarding if and how they weigh sustainability into their procurement decisions. If vendors perceive that sustainability demands are not valued in procurement decisions, they may have fewer incentives for transparent and

material disclosure as well as less reason to invest in more sustainable practices and innovation<sup>104</sup>.

Furthermore, the RBA has urged Nordic IT buyers to translate the recommendations into tender requirements. For this reason, the ASF Leadership for Change was established. It brings together Nordic organizations committed to integrating sustainability into their IT procurements, being transparent regarding their sustainability agendas, and aligning their procurement practices with material issues and existing standards. However, more can be done in this area. The latest ASF stakeholder dialogue showed that only 30 percent of the respondents put advanced sustainability requirements in their tenders<sup>105</sup>.

Despite being valued in theory, this analysis shows that buyers are not using their purchasing power to the fullest. The ASF recommendations can be reinforced to a greater extent and more can be done to make it clear to vendors how sustainability is influencing purchasing decisions.

## 2. Methodology

The analysis rests on an empirical study of 21 tender requests from large public and private Nordic organizations such as municipalities, regions, and companies, between 2020 to 2023. 80 percent of the requests came from public organizations, and 20 percent from private. All requests focus on hardware (computers, mobile phones, tablets and peripherals) with a value ranging from 0,38 MEUR to nearly 130 MEUR.

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<sup>101</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>102</sup> Andrew Britton; CEO at Kumi Consulting. Interview. 2023-09-21

<sup>103</sup> Tyler Gillard; Chief Strategy Officer at Responsible Business Alliance. Interview. 2023-09-29

<sup>104</sup> 2023 ASF Report, "Time for climate accountability"

<sup>105</sup> Atea Sustainability Focus, <https://www.atea.se/en/sustainable-it/atea-sustainability-focus/>



The analysis was conducted through a desk review of sustainability requirements expressed in procurement documents. The requests have been mapped against 15 different aspects that are connected to previous ASF recommendations and assessed to represent the four mechanisms. Weighting has been included as a criterion of its own.

The findings were divided into the categories “yes”, “no” and “partly”. For example, one of the criteria was demands for circularity goals and/or plans (in accordance with the 2019 ASF report). Everything that specifically expresses this request was indicated “yes.” Demands on the bidder to describe how they work systematically to

minimize climate effects through circular activities, have been indicated as “partly”. The review looked only at whether the criteria were included and made no distinction between qualification criteria, award criteria and contract clauses.

### 3. Results

Progress and accountability were so much interlinked that these are presented together. Large-scale action was not part of this analysis as it is difficult to pursue through individual procurements.

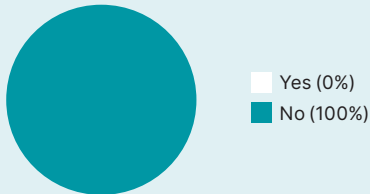
#### 3.1 Transparency

Transparency has been a recurring theme in the ASF reports and is hence of great importance to Nordic IT buyers. Shifting

Some of the results from the assessment of tender requests from Nordic organizations.

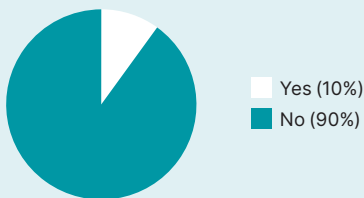
**Transparency**

Requesting public supplier list.



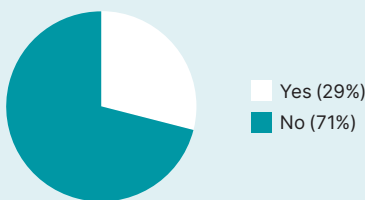
**Accountability/Progress**

Requesting a Science Based Target or emission reduction target.



**Accountability/Progress**

Mentioning of the United Nations Guiding Principles on Business and Human Rights (UNGPs).



**Weighting of sustainability**

Less than half of the procurers include sustainability to some extent in the weighting of the bids.



from primarily focusing on working conditions in the supply chain, transparency now encompasses climate and environmental considerations, along with the buyers' capacity to understand and compare suppliers' sustainability performance, addressing the risk of greenwashing. The following criteria related to transparency from the ASF reports were mapped:

- Request of publicly available supplier list
- Requiring/rewarding scope 3 reporting of buyers' specific IT purchases

*Findings*

- None of the procuring organizations require the bidding companies to have a publicly available list of suppliers. Instead, vendors were asked to include it in the tender or submit it upon request – a lighter form of transparency.
- Despite being ranked as one of the most prioritized areas in the 2022 ASF stakeholder dialogue<sup>106</sup>, only 3 out of the 21 procuring organizations required vendors to report the carbon emissions of their delivered products and services. Seven (7) of the organizations requested calculations and reporting on the bidding companies' own carbon emissions. However, this was not within the scope of the current mapping.

**3.2 Accountability and progress**

Accountability has been an underlying theme in all six reports issued by ASF,

<sup>106</sup> 2023 ASF Report, "Time for climate accountability"

and it was particularly emphasized in the latest report (2023) on climate accountability. Four criteria were investigated to assess to which extent Nordic IT buyers are holding the industry accountable for its actions in the value chain. The fulfillment of these criteria also indicates, as outlined in the 2023 ASF Report “Time for Climate Accountability”, how buyers are holding themselves accountable. By imposing stronger demands on their vendors, they are committing to greater engagement in sustainable IT. This involves monitoring and following up on results, as well as linking these demands to their own policies and goals.

The reviewed criteria also serve as indications of progress, both pushing for more progress and requiring vendors to clearly demonstrate it. In this regard, the tender requests can be viewed as a means for the Nordic IT buyers to assess and reward their vendors’ progress.

*The following criteria were reviewed:*

- Requesting a Science Based Target or to specify an emission reduction target
- Evidence of carbon emission reductions
- Circularity goals and/or plans
- References to the United Nations Guiding Principles on Business and Human Rights

*Findings*

- Two (2) out of the 21 procuring organizations explicitly requested an emission reduction goal. It was more common with requirements on bidders to describe how they systematically reduce and prevent carbon emissions.

- One (1) of the 21 procuring organizations requested evidence of carbon emission reductions, and it was unclear how it was evaluated. Other demands in this area were more vague, such as demanding that the suppliers actively work to reduce their carbon footprint.
- Demands for suppliers to adopt circularity goals and/or plans appeared in three (3) cases, exemplified by statements such as: 'The supplier must have a plan to increase reuse/recycling during the contract period.' It was almost as common to require vendors to contribute to the customer’s own circularity journey. For this analysis, these cases were scored as 'partly.' Fifteen (15) of the tender requests did not include any demands for circularity plans or goals aimed at improving circularity.
- 6 of 21 mention the United Nations Guiding Principles on Business and Human Rights. Several others referred to other human rights standards, such as the UN Universal Declaration on Human Rights, UN Convention on the Rights of the Child and ILO’s eight core conventions.

### **3.3 Weighting of sustainability**

Almost half of the procurers (9 of 21) included sustainability to some extent in the weighting of the bids; however, only one had sustainability as a separate category. The rest included sustainability as part of the quality criteria, as one of several aspects which are then weighed against the price as a group. 11 of the procurers did not mention sustainability, neither as part of the quality category, nor as a category of its own.



While many buyers request vendors to have processes and plans in place, they seldom hold them accountable for demonstrating progress or achieving tangible deliverables.

## 4. Conclusions part II

### *Vague demands*

Overall, the reviewed sustainability criteria were unevenly adopted by the assessed procuring actors. A general finding is that the most ambitious demands come from public actors such as municipalities and regions.

The overall result shows that procurers do include demands related to the mapped sustainability criteria. However, in many cases the requirements are unspecific and vague. For example, some procurers demand the bidders to have a climate action plan in place but do not ask for adopted targets on reduction. Unspecific demands risk being interpreted differently by different bidders which makes evaluation resource demanding and more prone to arbitrariness. It is also difficult for bidding companies to determine whether they meet the criteria. This also indicates that IT buyers have not responded to the industry's call for more transparency and clarity around sustainability in procurements.

Furthermore, the analysis shows that although nearly 50 percent of the procurers weigh in sustainability, it is viewed as one quality aspect among others. In general, sustainability seems to be viewed by procurers as only an added value and does not influence decision

making to the extent that you would expect from one of the most mature markets in terms of sustainability.

### *Few demands on follow-up and results*

Another noticeable pattern is that while many buyers request vendors to have processes and plans in place, they seldom hold them accountable for demonstrating progress or achieving tangible deliverables, such as having a carbon emission reduction goal or providing evidence of actual reductions. This can be related to the result of the latest ASF dialogue in which only 17 percent of the Nordic IT buyers said they follow up on the requirements in their procurements. According to the latest Swedish national procurement survey, only 44 percent of the regions claim that they follow up on the requirements to a large extent, although as many as 81 percent state that they set environmental requirements to a high degree<sup>107</sup>.

### *Transparency is required but only between the parties*

The least adopted criteria are found within transparency, specifically, the requirements on public supplier lists. In many cases, vendors were asked to submit a list of suppliers to the customer upon request. While this may have an impact, not requiring it to be public means Nordic IT buyers are missing out on an opportunity to enhance transparency on a larger scale. ■

<sup>107</sup> Aktuell Hållbarhet, May 23 2023



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## Abbreviation Guide

- RBA: Responsible Business Alliance
- ASF: Atea Sustainability Focus
- CEP: Circular Electronics Partnership
- RMI: Responsible Minerals Initiative
- RLI: Responsible Labor Initiative
- RFI: Responsible Factory Initiative
- UNGPs: United Nations Guiding Principles on Businesses and Human Rights
- SBTi – Science Based Targets Initiative

## Explanation of RBA Tools and Initiatives

### Emissions Management Tool

RBA launched an Emissions Management Tool (EMT) in 2023 to "map industry supply chains and the potential to create efficient and accurate methods for sharing emissions at corporate and facility levels".<sup>108</sup> This tool also could help suppliers establish a baseline and build capacity in the industry.<sup>109</sup> This tool is powered by a third party, Optera.

### Supply Chain Mapping Tool

RBA also launched a supply chain mapping tool in 2022.<sup>110</sup> Supply chain mapping is the process of illustrating a company's entire supply chain through identifying each supplier and mapping information regarding suppliers.<sup>111</sup> The specific RBA tool allows members to map and visualize their supply chains in different views, potentially allowing for a deeper transparency in the supply chain.<sup>112</sup>

### Responsible Minerals Initiative (RMI)

The RMI focuses on responsible mineral sourcing in supply chains.<sup>113</sup> The RMI contains 3 assessment programs for initiative members, holds programmatic trainings, and provided technical and financial assistance to auditees.<sup>114</sup> The RMI also hosts a Mineral Grievance Platform<sup>115</sup> while also focusing on smelters.

### Responsible Labor Initiative (RLI)

The RLI is an initiative of the RBA that aims to use "collective influence" address challenges and work on solutions regarding forced labor in supply chains.<sup>116</sup> RBA provides tools in the RLI including an e-learning academy, practical guides, and training sessions.<sup>117</sup>

### Responsible Factory Initiative (RFI)

The RFI provides factory-level tools and programs for factories of all maturities, with the aim of a unifying architecture.<sup>118</sup> RFI is considered a "beyond audit" approach as it looks to work with factories, assessing operations and policies in a holistic matter.<sup>119</sup>

<sup>108</sup> 2022 RBA Annual Report

<sup>109</sup> 2022 RBA Annual Report

<sup>110</sup> 2022 RBA Annual Report

<sup>111</sup> Thornton, Chandler. 2023. "What is supply chain risk mapping? (And how to do it right)." Elevate. <https://www.elevatelimited.com/blog/what-is-supply-chain-risk-mapping-and-how-to-do-it-right/>

<sup>112</sup> 2022 RBA Annual Report

<sup>113</sup> RBA. "Responsible Minerals Initiative". <https://www.responsiblebusiness.org/initiatives/rmi/>

<sup>114</sup> 2022 RBA Annual Report

<sup>115</sup> 2022 RBA Annual Report

<sup>116</sup> 2019 RBA Annual Report

<sup>117</sup> 2022 RBA Annual Report

<sup>118</sup> RBA. Responsible Factory Initiative. <https://www.responsiblebusiness.org/initiatives/rfi/>

<sup>119</sup> 2022 RBA Report

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