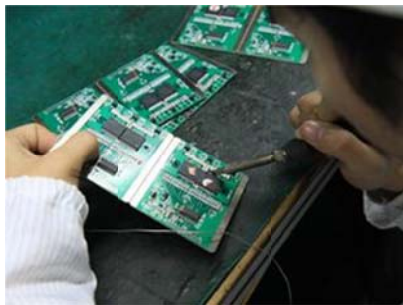


Suicides Expose Risks in High-Tech Supply Chain Investments

By GreenBiz Staff
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BOSTON, MA — Representatives of nearly 50 socially responsible investing groups have issued a public call to the electronics industry to step up their oversight of suppliers.

The statement, signed by 45 members of the investment community, condemns abusive workplace conditions in the electronics industry, where a recent spate of suicides at Foxconn -- supplier to some of the industry's largest firms, including Apple, Dell, Hewlett Packard and many others -- led to widespread criticism of the company and its customers, and which pressured Foxconn to offer significant raises to its workers.

While increased pay is a step in the right direction, the investor groups -- led by Boston Common Asset Management, Trillium Asset Management Corporation, As You Sow and Domini Social Investments, as well as the Interfaith Center on Corporate Responsibility -- believe that much more needs to be done.

"The Foxconn suicides are the latest reverberations of an alarm that has been ringing for many years now," Adam Kanzer, Managing Director and General Counsel for Domini Social Investments, said in a statement. "The foundation of our global manufacturing system is not sustainable. Without strong investor support for meaningful change on the factory floor, we will continue to drift from crisis to crisis."

To that end, the groups call for the following changes to be made:

- Providing safe and non-abusive workplaces that give workers a meaningful voice in maintaining and improving conditions.
- Offering vigorous on-going training on worker rights, factory procedures, communication and grievance mechanisms.
- Closely following limits on overtime and making sure that overtime is voluntary.
- Training line supervisors and managers to eliminate harassment and other forms of abuse.
- Supporting workers rights to trade union representation and collective bargaining.
- Studying whether the social situation for migrant workers plays a role in anxiety, stress and suicide among workers and, if so, identifying social and industry policies to address this problem.

"Failing to provide a decent living wage and safe working conditions is unacceptable for any company in any sector. Consumers understand this," Neil Brown, the SRI Fund Manager at Aviva Investors, said in a

statement. "There exists a clear financial opportunity for companies that take a lead, and considerable risks for those who do not."

The investors have issued this call to action, they said, because risks from failing to manage electronics supply chains can have significant impacts on the funds' investments. "As investors we are concerned about the material impact that these immediate events, and the deeper challenges they represent, may have on our portfolios and portfolio companies," they investors write. "Far too often the existing company codes of conduct and supply chain responsibility programs are proving to be insufficient. Investors need to ask hard questions of companies and expect timely and substantive public disclosures from management."

There are nearly four dozen members of the Electronics Industry Citizenship Coalition, which also includes a code of conduct. Foxconn is a member of the EICC, as are many of its customers. The disconnect between membership in the EICC and actual company performance along labor, health and safety, and environmental lines is one of the key drivers of the investors' letter.

Recently, EICC reported that 74 percent of its members cited working hours as one of the top three areas for improvement in the supply chain," the letter explains. "However, we believe that EICC could be far more assertive and proactive in ensuring worker rights. EICC is slowly improving transparency through annual reports, but it remains unclear how many EICC members are specifically committed to auditing their supply chains and actively following up on corrective actions.

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