

Sustainability Investment News

July 26, 2010

Investors Address Human Rights in Electronics Supply Chains

by Robert Kropp

In the aftermath of suicides at the Foxconn manufacturing plant in China, an investor coalition asks for improved conditions for workers.

SocialFunds.com -- Stating that "supply chain factories can be stressful and abusive workplaces, according to interviews with workers," a coalition of more than 40 investors, led by members of the Interfaith Center on Corporate Responsibility (ICCR) has called on electronics manufacturers in their portfolios to implement stricter supply chain compliance.

The Investor Statement, released on July 21, refers to the recent suicides at Foxconn Technology Group factories in China, which manufacture consumer electronics for such global companies as Apple, Dell, HP, Motorola, Nokia, and Sony.

Observing that "several of the signatories have collectively engaged scores of global companies on supply chain compliance" for more than a decade, the statement continues, "There is little evidence of dramatically improved conditions."

"Part of the problem," according to the statement, "is the unwillingness of most global brands to disclose the nature and severity of many of the problems found at these facilities, and what they are doing to address them."

The coalition, led by Boston Common Asset Management, Trillium Asset Management, **As You Sow**, and Domini Social Investments, called on companies and their suppliers to "improve working and living conditions for workers" by providing on-going training on worker rights, following limits on overtime, and supporting trade union representation.

The investors also recommend that conditions for migrant workers be studied, in order to identify problems specific to them. A recent report by Verite, which documented the exploitation of foreign migrant workers in several countries, included a section on migrant workers in information technology (IT) factories in Asia.

The investors aimed a measure of criticism at the Electronics Industry Citizenship Coalition (EICC), a coalition of more than 40 consumer electronic companies committed to "an industry code of conduct for global electronics supply chains to improve working and environmental conditions," according to the EICC.

The EICC, the investors stated, "Could be far more assertive and proactive in ensuring worker rights." In May, when the Foxconn suicides received widespread attention from the media, the EICC released a brief statement that it is "establishing a multi-company task force based in Asia to assess where the EICC can best offer support."

The investors encouraged the EICC's Employee Health & Welfare Task Force "to broadly engage stakeholders, not only to gather information but to make recommendations on ways to address systemic issues in the electronic industry."