LINKING EXTRACTIVES TO CONSUMER ELECTRONICS:
RESPONSIBILITIES OF ELECTRONICS COMPANIES DOWN THE SUPPLY CHAIN

INTERNATIONAL ROUNDTABLE 18 JANUARY 2008 BRUSSELS

SUMMARY REPORT

An International Roundtable was held in Brussels on 18 January 2008 to present **new research** by SOMO, SwedWatch and FinnWatch and Southern partners JATAM from Indonesia, CSRSC from South Africa and ACIDH from DR Congo, **exposing widespread exploitation of workers, human rights abuses and massive environmental damage in regions where metals and minerals crucial for electronic products are sourced**. The connection between the mining industry and electronic products, like mobile phones, MP3 players and lap-top computers, is not an obvious one. But this Roundtable, as **part of the *makeITfair* project**, exposed the harsh reality of that connection, bringing together electronics companies, NGOs, trade unions, and researchers from industrialised and developing countries to hear the research evidence and discuss ways of tackling the problems.

SO WHAT ARE THE ISSUES?

Platinum mining is booming in South Africa. Prices have doubled over the past five years as export demand has escalated but widespread poverty persists in the South African Homelands where this mining is located. In fact, things are getting worse as communities lose their farming land and are subjected to extensive relocations. Squatter camps have grown up around the mines and increases in the incidence of crime, prostitution, and HIV-Aids have accompanied them. In addition, as every ounce of platinum mined produces 150 tons of waste and sulphur dioxide emissions, there is massive environmental damage.

The privatisation of **copper and cobalt mining in Zambia** has meant that a handful of companies have made huge profits and had these profits protected since the mid- 1990s. Local communities have lost out, local infrastructure has not been maintained, and there has been widespread environmental damage. As global demand for copper and cobalt continues to grow, production is increasing, but under current privatisation agreements, none of this wealth will benefit the Zambian people until 2010.

It's a similar situation in **DR Congo where informal and formal copper and cobalt mining** supplies the electronics industry. Child labour, human rights abuses and environmental damage caused by the mining companies remain unchecked and, despite legal obligations, companies are not investing in local infrastructure or enforcing mining and labour codes. Tin ore is one of the most important minerals mined in the eastern parts of the DR Congo, and part of the income is still going in the pockets of armed groups of the conflict region.

Tin mining takes also place on all the main Indonesian islands but communities have no legal right to object. As a result, there is widespread environmental damage and pollution. Protected forests are being destroyed, mining waste is causing health problems and marine damage and, in common with other countries highlighted here, poverty, human rights abuses and health problems are increasing in mining areas as the military clash with local communities and corruption in the mining industry becomes endemic.

The ***makeITfair*** coalition makes the links between the mining sector and the electronics industry in **three new reports on platinum group metals, cobalt and tin** (www.makeitfair.org). The electronics industry is a significant user of many other metals too.

For example, **25% of cobalt is used by the electronics industry and direct links to rechargeable batteries can be traced**. China is the major producer of these batteries and is sourcing cobalt from Zambia and DR Congo; **platinum produced by Anglo Platinum in South Africa can be traced to all major computer brands**; and **direct links can be traced**

for tin mined in the conflict areas of the DR Congo, to companies producing electronics solder and circuit boards.

But as the reports highlight, **electronics companies are not aware of where metals originate and feel many steps removed from their sources**. They think they are small consumers when compared with the automotive, chemical, glass, petroleum and electrical industries, and do not feel in a position to influence this distant part of their supply chains.

***make ITfair* says**: **the electronics industry should recognise that the extractive industry does lie within its sphere of influence** and there should be increased traceability, transparency, and full supply chain responsibility; Companies should use their buying power to improve sustainability, extend due diligence work down to the mine level, and give priority to sourcing from mining companies that adhere to codes and frameworks.

There are a **range of initiatives** tackling these critical issues including: the EITI (Extractive Industries Transparency Initiative) at www.eitransparency.org , a coalition of governments, companies, civil society groups, investors and international organizations; the UNEP International Panel on Sustainable Resource Management with widespread government support; the multi-sector Initiative for Responsible Mining Assurance at www.responsiblemining.net; trade union initiatives at the global level from the International Chemical, Energy, Mine and General Workers' Union (ICEM) www.icem.org and the International Metalworkers' Federation www.inf.org; the Roundtable on Sustainable Production and the use of Platinum Group Metals which groups together several related sectors including the automotive industry; and the NGO Global Witness www.globalwitness.org with a campaign on DR Congo.

The Roundtable got **business, NGO and trade unions working together to identify the key challenges** to greater traceability in the electronics' supply chain. For example, they identified the need to ensure that metals come from legal mines and that work to create a better supply chain of green/best producers is important. Also, transparency around payment flows and support for initiatives that improve practice in the technical side of extracting metals and minerals are other key challenges. **Companies present at the Roundtable said that the industry wants to do its part, but needs to know how to take this forward.**

KEY OUTCOMES OF THE ROUNDTABLE:

- business acknowledged that the electronics industry has the **leverage for change**
- research currently being carried out by EICC/GeSi – a global partnership of ICT companies www.gesi.org - **confirms the data** in the *makeITfair* reports
- business **acknowledged** that there are major issues in the extractive industry, as pointed out by the makeITfair research reports.
- business showed its **positive attitude** towards a dialogue and to see how joint steps can be taken
- *makeITfair* is not limiting itself to one sector in this research but is looking at **the broader spectrum** including manufacturing and retail. The *makeITfair* coalition is also collaborating with a wider group of civil society organisations
- NGOs will continue the **dialogue with business**
- NGOs held a strategy meeting the day after the Roundtable. One of the outcomes was that the *makeITfair* campaign will be taken up by a **broader group of CSOs**