PUBLIC PROCUREMENT



RESPONSIBLE BUSINESS ALLIANCE (RBA)

Formerly the Electronic Industry Citizenship Coalition (EICC), the RBA is a nonprofit alliance of leading companies dedicated to improving social, environmental and ethical conditions in their global supply chains. The RBA is comprised of more than 140 members directly employing over 6 million people, with a combined annual revenue greater than \$5 trillion. The RBA covers multiple industries including: IT, Automotive, Retail, Toys and more. The vision of the RBA is a global industry that creates sustainable value for workers, the environment and business.

CODE OF CONDUCT

The RBA Code of Conduct is updated every three years. Regular and Full Members are held accountable to the Code and must ensure it is implemented by their major suppliers.

WORKGROUPS

Environment, Health & Safety, Diversity & Gender, Worker Well-Being, Public Procurement, VAP, Chemical Management and more.

INITIATIVES

Responsible Minerals Initiative
Responsible Labor Initiative
Responsible Factory Initiative

Public procurement agencies are beginning to add new social and environmental requirements in contract updates with IT providers. Through these contractual requirements, public buyers are looking for insight and transparency on supply chain policies and practices in IT manufacturing. These same requirements are an opportunity for companies to show commitment to these important business conditions. The EU Public Procurement Directive fosters a greater focus on supply chain sustainability by allowing member states flexibility on product labels and incentives.

The Responsible Business Alliance (RBA) has long been at the intersection of buyers, brands and civil society. This gives us a unique perspective to see opportunities for harmonization, consolidation and consistency globally.

Through multi-stakeholder roundtables, an ICT Roadmap and international engagements, we aim to align the aspirational requirements of public buyers with the realities of global supply chain manufacturing.



PURPOSE OF THE RBA

Since 2004 the RBA has advanced sustainability globally by providing its members with innovative tools, programs and trainings to meet increased regulatory, market and civil society demands for greater due diligence and transparency.

EXPECTATIONS OF AN RBA MEMBER

Retailers, brands and all levels of the supply chain can show their commitment to social and environmental performance with membership in the RBA. There are four membership categories, but the baseline requirements for three include making a public commitment (on company website) to the RBA Code of Conduct. Regular and Full Members must also pass it down to their supply chain, complete a risk profile and audit plan, audit at least 25 percent of high-risk suppliers annually, and close all disqualifying Priority findings. Full Members commit to additional verification and transparency requirements.

RBA CODE OF CONDUCT

Our Affiliate, Regular and Full Members commit to a common <u>Code of Conduct</u>, aligned to internationally recognized standards and guidance, covering critical elements including: Labor, Environment, Health and Safety, Ethics, and Management Systems.



RBA ONLINE

RBA-Online is an online sustainability data management system designed to help RBA members and their suppliers manage and share sustainability data, including from audits and self-assessment questionnaires, that assess risk.

VAP RECOGNITION PROGRAM

The <u>VAP Recognition Program</u> allows exceptional factories to differentiate themselves for leadership and correcting non- conformances found in a VAP audit. This recognition helps buyers to assess and compare the performance of the factories that manufacture their products.

eLEARNING ACADEMY

The <u>eLearning Academy</u> rovides an on-demand capability-building tool where members can assign suppliers specific trainings to help close non-conformances.

FACTORY LEAD CERTIFICATION PROGRAM (FLCP)

The <u>FLCP</u> offers a customized on-demand curriculum of 30 courses and accompanying tests for factory staff.

RBA VALIDATED AUDIT PROGRAM (VAP)

The Validated Audit Program (VAP) is an on-site audit process that requires triangulation to demonstrate compliance to the RBA Code of Conduct. It is the leading standard for on-site compliance verification and effective, shareable audits. Since 2009, RBA members have completed more than 4,000 VAP on-site compliance audits conducted by independent third-party <u>audit firms</u> to execute the <u>VAP protocol</u>.

A typical VAP on-site audit at a single manufacturing facility may last 2-5 days and includes a thorough document review, interviews with management and workers and a visual site survey. The VAP uses local, native-speaking auditors where possible and they are specially trained to spot hard-to-find VAP protocol violations like instances of forced labor. They are also specialists in understanding where some violations are more common, such as excessive working hours in areas with large migrant worker populations.

A key initial impetus for the founding of the RBA, and one of its continued benefits to its members today, is the practice of sharing audits. Many RBA members share common suppliers, and those suppliers also share common suppliers. Whenever a single RBA member audits its own or a supplier's facility, the member can share the findings with other customers of that facility that are also RBA members. Sharing audits saves RBA members and their suppliers millions of dollars each year, which not only creates business efficiency but also ensures that cost is less of a barrier for companies seeking to ensure that their facilities and those of their suppliers are living up to the RBA Code of Conduct and protecting workers and their communities.

CONTINUOUS IMPROVEMENT

Continuous improvement is the most critical element in advancing positive working conditions across the supply chain and improving environmental performance at the factory level. Where VAP audits uncover non-compliances to the protocol, those findings are rated by severity as "minor," "major" or "priority." All three categories of findings have specified periods of time during which the facility in question must remedy the findings and implement systems to prevent reoccurrences. Remedy and prevention plans are part of corrective action plans (CAPs). A VAP Closure audit is required to verify closure of the non-conformance.

BENEFITS TO PUBLIC BUYERS

Leveraging a common Code of Conduct aligned with internationally recognized standards such as the ILO Core Conventions, OECD Responsible Business Conduct Guidance, and the Sustainable Development Goals (SDGs), and common public procurement priorities, the RBA is encouraging a consistent approach to meaningful transparency and due diligence across the supply chain.

Buyers can offer targeted incentives built on the RBA risk-based strategy and recognition programs. The RBA VAP is already used to demonstrate conformance with globally recognized product labels. The RBA Practical Guide to Implementing Responsible Business Conduct Due Diligence in Supply Chains provides an overview of the major standards on responsible business conduct and demonstrates how RBA initiatives, programs and tools can help companies operationalize and live into international supply chain due diligence expectations.

To learn more, please visit the <u>RBA website</u> or contact us directly at <u>procurement@responsiblebusiness.org</u>