



THE UNIVERSITY  
*of* EDINBURGH

# **Social Responsibility in University**

## **Garment Supply Chains: *A Case Study of the University of Edinburgh***

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## **Executive summary**

This report was prepared by Eilidh Morrison during a work-based placement as part of the MSc Environment and Development, for the Department for Social Responsibility and Sustainability of the University of Edinburgh. The report provides an overview of the University of Edinburgh's garment and textile goods supply chains, and the initiatives that are being undertaken to ensure fairness and decent working conditions. A brief context is laid out, introducing the concept of the supply chain and the more complicated procurement regulations under which it must operate. The main ways the University of Edinburgh ensures socially responsible garment supply chains are through affiliation with the Worker Rights Consortium (WRC), and the procurement of goods containing fair trade materials. This report reflects on these efforts, and provides recommendations that the University has the option of pursuing in the future. The key findings include: universities across the UK are having great difficulty fulfilling the requirements of affiliation to WRC; only a minority of suppliers currently contracted by the University of Edinburgh have evidence of the consideration of ethical issues in the supply chain; and lastly, lessons can be learnt for the university sector from some examples of ethical EU public procurement, including the French Postal Service, La Poste, which sources 100% of worker T-shirts from Fairtrade suppliers. Ultimately, this report argues that the University of Edinburgh should continue its affiliation to the WRC, but in doing so should follow the recommendations outlined in section 5 to develop the scheme further; specifically, by working closely with WRC, People & Planet and crucially, other UK universities affiliated to the WRC.

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## 1. Introduction

The global garment industry is worth approximately 1.3 trillion euros (Clean Clothes Campaign 2015), growing rapidly year on year it provides manufacturing jobs for millions of workers around the world – particularly for young women living in developing countries (Wills and Hale 2005). Globalisation has paved the path for multinational companies to shift clothing production to developing countries, and subcontract their supply chains in order to save costs. However, clothing production is notorious for the inherently poor working conditions that labourers face on a daily basis: low pay, forced overtime and job insecurity (*ibid*). Fortunately, this issue is gaining increasing amounts of attention, and there are a growing number of businesses, suppliers and universities endeavouring to ensure better working conditions and fairness in their garment supply chains. This is of particular importance to universities, as their collective purchasing power is substantial – around £7 billion in the UK (The Guardian). Universities in the UK are taking steps to use their power in a more ethical fashion, by joining organisations such as the Worker Rights Consortium (WRC), and buying more fair trade goods. However, it is important to note that there is a far greater spend on electronics than garments by universities, annually around £800 million on IT supplies and services (Electronics Watch 2015). This research has focused on garments because there are ethical trade initiatives being adopted by the University of Edinburgh that need review, and because there is evidently still a need to focus on working conditions in this industry .

This report will examine the efforts made by the University of Edinburgh in ensuring fairness and decent conditions throughout their garment and textiles goods supply chains, reflecting on progress made so far. Furthermore, the report will make recommendations for ways in which the University can improve its approach. Section two provides a brief methodology of the research process for the report. Section three sets out a context for the report, introducing the supply chain, procurement law, the University of Edinburgh’s procurement strategy, fair trade at the University of Edinburgh, and the WRC. Section four delves into the main findings of the report, exploring the WRC in greater depth, followed by review of the University of Edinburgh’s suppliers, before providing some examples of successful fair trade and ethical procurement within the EU, which the University could draw on. Section five outlines some recommendations of the report, followed by section six, which provides some concluding remarks from the research.

## 2. Methodology

This report was written after research was carried out over an eight week placement at the University’s Department for Social Responsibility and Sustainability. With an initial concept for research, it was important to meet with the two staff from the Department responsible for coordinating the placement, in order to understand the variety of information which had already been collected, therefore establishing a gap in the research to focus the report on. The preliminary meeting helped to develop ideas to explore in more detail, creating questions to pursue and provide a structure to the report. Following this initial stage were additional meetings with the content supervisor of the project, who was able to provide guidance and ideas, and later, meetings with the Procurement Office, who were extremely insightful and offered ideas for further action.

In addition to meetings, there was regular correspondence with other higher education institutions via email – this provided insight into what other universities around the UK were doing to ensure fairness and decent conditions throughout their supply chains, and opinions on ethical initiatives

universities were taking part in, such as the Worker Rights Consortium. Further to this, relevant governmental and University policy documents on procurement were examined to ensure that any recommendations the report might make are feasible within European Union and Scottish Law. Once most of the findings had been gathered, the report write-up began, whilst continuing email and Skype correspondence with established contacts from People & Planet and the Worker Rights Consortium.

The research process undertaken for this report has encountered various limitations. For example, the report has been unable to cover in depth research on university branded goods sold in student union shops by Edinburgh University Students Association (EUSA), and sportswear procured by Edinburgh University Sports Union (EUSU). Representatives from both EUSA and EUSU were contacted, but correspondence was limited. More research could be done in this area to see where these garments are being procured from and under what conditions they are being made. Secondly, research has been limited by the number of universities affiliated to the WRC who were unable to respond to my initial enquiry of contact, for whatever reason. If there had been more respondents, a webinar might have been proposed sooner, in time for its findings to be included in this report.

### **3. Context**

This section sets out a context for the report, which is important for understanding the following section on findings. Subsection I introduces the basic concept of a supply chain, before focusing on the University of Edinburgh's garment supply chain more specifically. Subsection II sets out the basics of procurement law in the European Union and how this influences regulation in Scotland. This is important to know as recommendations made by this report will need to comply with both Scottish and EU procurement law. Following this, subsection III outlines University of Edinburgh's procurement strategy, which reflects and goes beyond Scottish and EU regulation. Subsection IV then discusses fair trade at the University of Edinburgh, including how it is coordinated and the commitments that have been made. Lastly, subsection V introduces the Worker Rights Consortium.

#### **The Supply Chain**

The supply chain includes all stages of production and sale of a product; from the bottom of the chain, where raw materials are produced, to the top of the chain, where the end product is sold to the consumer (Hurley and Miller 2005). The diagram below (Figure 1) shows the four main stages in a garment supply chain; when suppliers subcontract the production process of a commodity, they lengthen the supply chain of that particular product, this can happen several times, and without the knowledge of retailers. Supply chains become increasingly complex as the chain lengthens, and manufacturers choose to subcontract different components of the process to different factories.

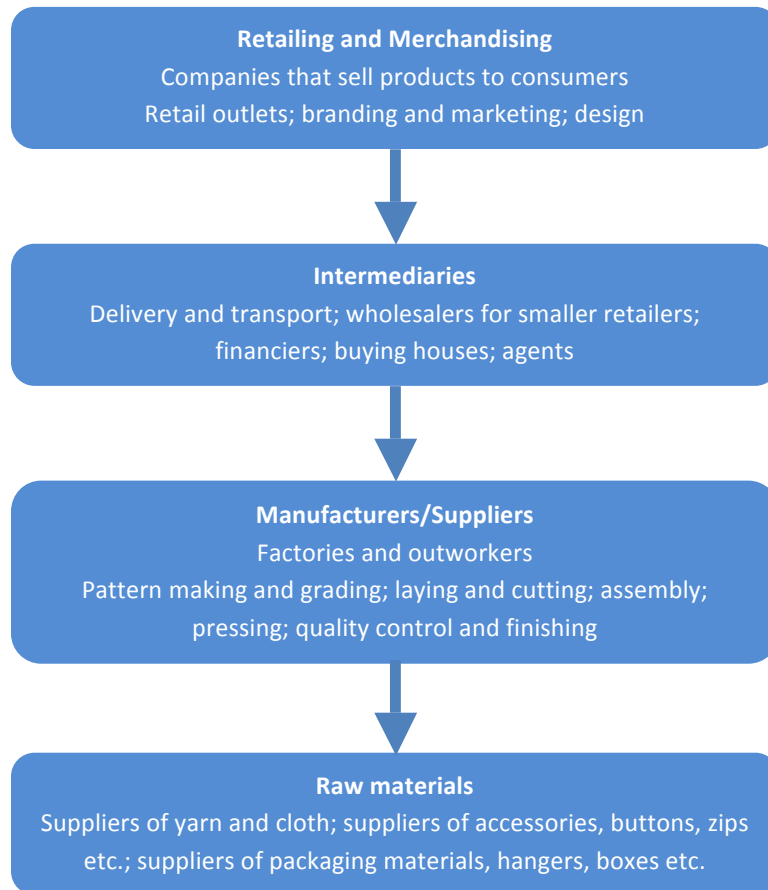


Figure 1: Garment Supply Chain (Hurley and Miller 2005)

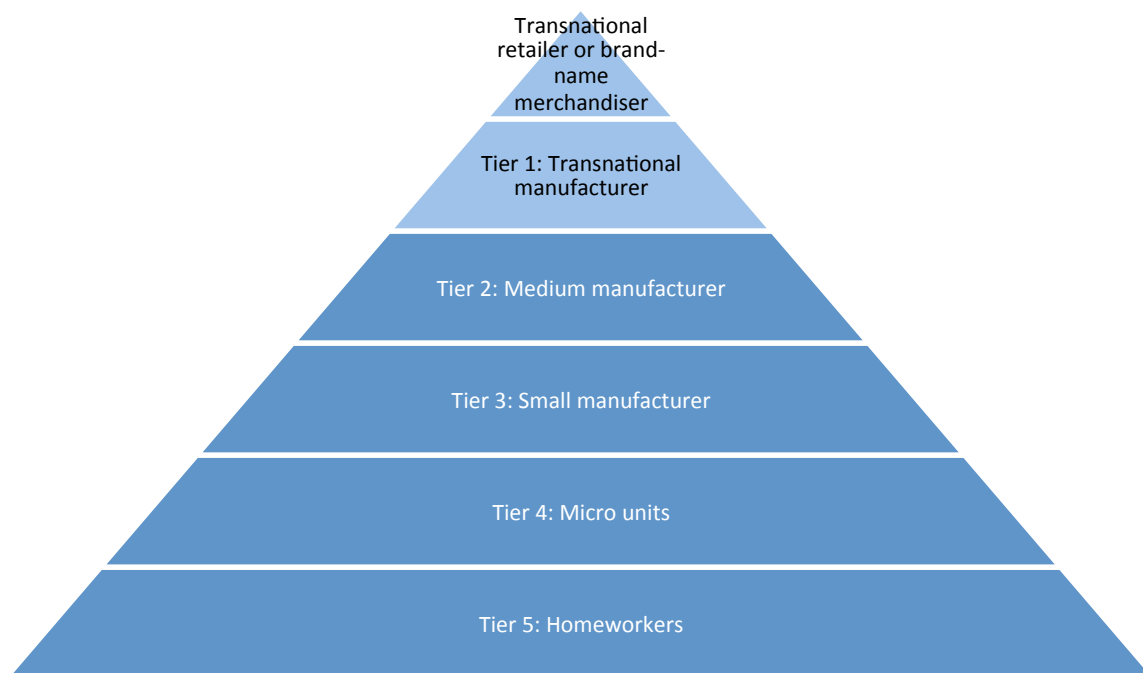


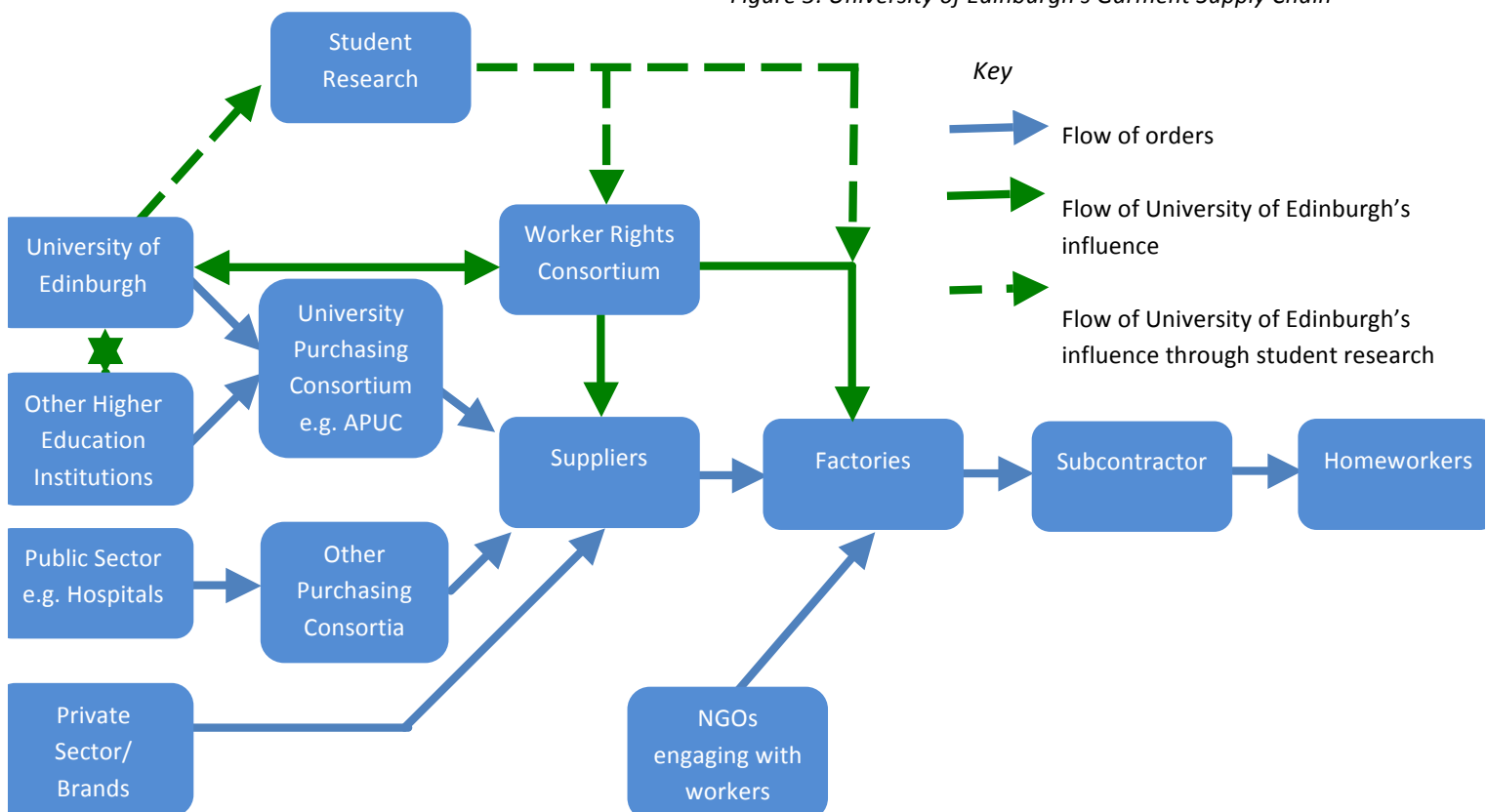
Figure 2: Pyramid model of a Garment Supply Chain (Women Working Worldwide 2004)

The more complex the supply chain, the harder it is to monitor labour conditions at each stage of production; for example, if there are five stages of manufacturing (transnational manufacturer, medium manufacturer, small manufacturer, micro units, and homeworkers), working conditions are only likely to be monitored by retailers at the first ‘visible’ stage (transnational), see Figure 2 above

(Women Working Worldwide 2004). The 'visible' section of supply chain activity is indicated in lighter blue, the less 'visible' activity in darker blue.

As a result, universities need to be thorough when ensuring decent conditions throughout their supply chains. University supply chains are no exception, procuring thousands of goods every year, from fair trade coffee beans to cotton t-shirts (The Guardian 2012). The University of Edinburgh has complex garment supply chains, which are difficult to map out completely, as is the case for many other UK universities. Figure 3 below attempts to map out the University of Edinburgh's garment supply chains, to the extent of our knowledge. The University of Edinburgh is a public sector body that procures goods and services, in the same way that other higher education institutions and public sector bodies (such as hospitals) procure goods and services. In general, the public sector procures through a national purchasing consortium in order to be cost effective. Consortia arrange framework agreements with suppliers, who university departments then buy from. Suppliers send orders out to factories for the production stage. At this point in the supply chain, visibility of activity begins to decrease, as factories subcontract, decreasing in size of factory, but increasing in number of factories. Production work like cutting and sewing is sometimes outsourced to homeworkers. At the factory stage, there is an increasing number of organisations working to protect the rights of workers. Initiatives including WRC and Electronics Watch are working independently of private companies, to help universities and colleges uncover non-compliance of labour standards in their supply chains. The green lines in Figure 3 highlight where the University of Edinburgh has the potential to have influence on working conditions in the supply chain: Edinburgh may continue correspondence with other UK universities, sharing advice on codes of conduct and suppliers and the University may also have influence on suppliers through the WRC and research, including student research.

Figure 3: University of Edinburgh's Garment Supply Chain



## Procurement Law

In order to ensure fair competition between suppliers and decent conditions in their supply chains, the University of Edinburgh must comply with European Union (EU) and Scottish law and regulation, as it is classed as a publicly funded organisation. The EU sets out rules on public procurement for all member states, which were revised in April 2014 in Directive 2014/24/EU of the European Parliament and the European Council (SOMO 2014). European Member States, including the UK, have until April 2016 to implement the new regulations into their national law (European Commission 2015). As Scotland has certain devolved powers regarding procurement, regulation is implemented separately from England. Secondly, The Procurement Reform (Scotland) Act 2014 is a national framework for sustainable public procurement, which ensures the public sector maximises the economic benefit from effective and efficient procurement spend (Government Opportunities 2014). The Act aims to increase the transparency around procurement procedures and the award of public contracts in Scotland, with guidance for a range of public bodies including universities and colleges (Scottish Government 2015). Although different contracts available are worth varying amounts, they should be consistent with EU Treaty Principles of equal treatment, non-discrimination and transparency. The new regulations are expected to be in place, in Scotland, towards the end of 2015. Essentially, the EU Directives and Scottish Procurement Reform allow for increased consideration of social factors in procurement agreements, the most attention that issues of sustainable and ethical procurement have been given so far in legislation. For example, it is becoming easier to request fair trade commitments from suppliers, and there is increased focus on access to contracts for SMEs and Supported Businesses. Public buyers like universities will now be obliged to produce annual reports detailing their progress in sustainable and socially responsible procurement.

## University of Edinburgh Procurement

The University of Edinburgh has a variety of policies and procedures in place regarding procurement, coordinated by the Procurement Office. Currently, the University bases its procurement strategy on the Scottish Procurement Policy Handbook, which sets out various rules and standards. The Handbook regulations comply with the developments in Scottish procurement legislation, and aim to achieve best value from purchasing, whilst improving efficiency between the University and suppliers. The University's Procurement Strategy aims to achieve value for money on a whole life basis when sourcing goods, services and works that generate benefits for the organisation, society, the economy and the environment. This has led to the development of their goal for sustainable procurement, to maximise efficiency and effectiveness while minimising social, environmental and other risks. The idea is that when goods are bought by the University, issues and risks concerning social and environmental factors are already taken into account, thus ensuring responsible sourcing. The University supports Fairtrade, is an affiliate of the WRC, and works to integrate Advanced Procurement for Universities and Colleges Limited (APUC) Supply Chain Sustainability Policy into its own framework (The University of Edinburgh 2014a).

This report focuses specifically on how the University of Edinburgh procures Personal and Protective Equipment (PPE), as this is the main category through which garments and textiles are procured, specifically servitor and cleaning staff uniforms which bare university logos, and therefore where the policies of the WRC are relevant. This is one of the main avenues through which the University endeavours to include social, ethical and sustainable considerations in their procurement of



garments and textiles. Garments are also bought from other parts of the University; for example, sportswear is sourced by Edinburgh University Sports Union (EUSU), and branded goods in the University shops are sourced by Edinburgh University Student Association (EUSA). This is in contrast to the US, where the system works differently to the UK; university branded sportswear has a far greater value and brands such as Nike and Adidas have contracts with individual universities and colleges worth millions (Florida State university receives \$3 million in sports equipment and apparel) (Biz Journals 2014).

There are six purchasing consortia in the UK that work with British universities, providing frameworks for purchasing large-scale orders of various goods. The University of Edinburgh goes out to tender approximately every five years and, generally, suppliers do not tend to vary too much. The University is currently out to tender and expects the process to be completed by the end of 2015. In the new tender agreement, Crescent Purchasing Consortium is working to include more policy on sustainable and ethical procurement. This will be discussed in more depth in section 4, subsection II.

### **Fairtrade at the University of Edinburgh**

Edinburgh has been a Fairtrade University since 2004, and is Scotland's first Fairtrade University, showing a commitment to fair trade procurement and, more broadly, fairness in trade and trade justice issues. The institution aims to source fairly and ethically produced products, and support ongoing academic research and development. Since becoming a Fairtrade University, Edinburgh has adopted five goals from the Fairtrade Foundation: to develop a Fairtrade policy, to stock Fairtrade products at university outlets, to serve Fairtrade products at meetings, to run campaigns on Fairtrade, and to develop a Fairtrade Steering Group (FTSG) (The University of Edinburgh 2015a). The FTSG is a mix of staff and students from the university who meet at least three times a year to ensure the university's ongoing commitment to social responsibility and sustainability, reviewing objectives and monitoring progress (The University of Edinburgh 2015a). The group reviews and makes recommendations relating to the University's approach to fair trade procurement and awareness-raising around campus, whilst considering developments in fair trade movements and academia. The FTSG is also responsible for monitoring the university's affiliation with the WRC, and have liaised with the Procurement Office, who have advised current suppliers to use International Labour Organisation (ILO) standards and ethical codes of conduct within public procurement law (The University of Edinburgh 2015b).

### **Worker Rights Consortium (WRC)**

The 1990s saw the explosion of the anti-sweatshop movement across universities in the United States (Silvey 2004). Students took part in rallies and sit-ins in order to challenge the role of universities and colleges in the exploitation of workers making garments and other goods for university consumption (Silvey 2004). United Students Against Sweatshops (USAS) was born from the movement, followed by the creation of the WRC in 2001, a US-based non-political organisation which monitors labour rights by investigating working conditions in garment factories around the world.

In 2012, the University of Edinburgh affiliated with the WRC, following calls from students and People & Planet (The University of Edinburgh 2012). Crucially, the WRC focuses on university-branded clothing; for example hoodies, sweatshirts and t-shirts that can be bought in university student shops (WRC 2007). There are 181 universities and colleges affiliated with the WRC, the vast

majority of which are US-based (*ibid*). In the UK there are fifteen universities affiliated: Bedfordshire, Birmingham, Bristol, Cardiff, Durham, East Anglia, Edinburgh, Loughborough, Manchester, Oxford Brookes, Plymouth, Reading, Sheffield, Sussex and Swansea (People and Planet 2015). Correspondence with several of these universities is documented in Section 4, subsection I. The WRC investigates factories that are reported to them for non-compliance with codes of conduct (WRC 2007). Furthermore, the WRC hosts a database of factories that produce garments bearing university branding and logos, accessible on their website – unfortunately, the website does not appear to host information where garments are produced for British universities that have affiliated, perhaps because this has been difficult to provide.

By affiliating with the WRC, Edinburgh shows recognition for the importance of its social responsibility and sustainable procurement policies, and engages with a code of conduct that considers supply chain labour issues including wages, working hours, overtime compensation, freedom of association, workplace health and safety, women’s rights, child and forced labour, harassment and abuse, and non-discrimination (University of Edinburgh 2012). Universities and colleges affiliated with the WRC are required to adopt a manufacturing code of conduct, mentioned above. They must also provide WRC with a list of all factory names and locations involved in the production of garments and textiles for the institution; WRC are then able to investigate factories when reports of code non-compliance are made (WRC 2007 FAQ). This requirement can prove problematic for universities, particularly in the UK, as discussed in the following subsection.

## **4. Findings**

Now that a context has been established, this section will outline some of the main findings of the report. Subsection I focuses on the Worker Rights Consortium (WRC), and the difficulties that the University of Edinburgh is facing in terms of its affiliation to the WRC. It discusses correspondence with other UK universities affiliated to the WRC, and furthermore, with the WRC itself. Subsection II focuses on the University of Edinburgh’s suppliers. Fifteen of the University’s suppliers are examined, and various initiatives based on ethical trade are discussed. Subsection III focuses on examples of successful ethical procurement of garments, textiles and fair trade goods.

### **Challenges with The Worker Rights Consortium in the UK context**

This subsection discusses the University of Edinburgh’s affiliation with the Worker Rights Consortium (WRC), and the difficulties that are arising from it. Secondly, it reviews correspondence with UK universities affiliated to the WRC, and the consortium itself. Since affiliating three years ago, Edinburgh has had a growing concern that they are unable to meet the criteria that are set out by the Consortium; and more specifically, there is a worry that the WRC is better suited to the US, than the UK, and that locating factory information from suppliers is extremely challenging. In 2014, University of Edinburgh sent a letter to the WRC asking how they could take their affiliation further, as part of its broader commitment to social responsibility. The two organisations then spoke on Skype at the end of the year, and again in June 2015.

In relation to this concern, other UK universities that are also affiliated with the WRC were contacted (also mentioned in subsection 3.V). Thirteen universities were emailed, as contact information for one proved difficult to find, and Edinburgh is one of the fifteen listed. Of the thirteen, eight responded, all of which have expressed similar frustrations to those which Edinburgh is

experiencing. One university suggested they may not re-affiliate when their affiliation comes up for renewal. WRC affiliation has an annual fee of approximately US\$1500 (WRC 2007 FAQ) and one university is concerned they are not seeing value for money in the service. Two universities are recent affiliates, and are finding it problematic collating information on suppliers and factories, as suppliers are unwilling to provide this information. Furthermore, one of the two argue that there should be facilitation from the WRC for this process, a support mechanism that is currently lacking. Another university chose not to comment on the effectiveness of the WRC, but did mention they had correspondence with them shortly after affiliating, voicing their concerns regarding the constraints of EU Public Sector Procurement regulations, which WRC had previously been unaware of. This highlights the difference in suitability for WRC affiliation between UK and US universities, as the regulatory contexts differ greatly. UK universities are not able to choose their suppliers as they wish, but must comply with strict Procurement Law to ensure fair competition, and so can only procure from suppliers that engage in and are successful in the tender process. Furthermore, if universities affiliate to the WRC while an existing contract with a supplier is ongoing, they cannot require the supplier to disclose factory names and specific details about working conditions, if these were not stated as requirements in the contracts – they can only encourage such disclosure.

Interestingly, when researching the thirteen universities, only four had clear statements on their websites regarding their affiliation to the WRC, as Edinburgh does. Several other universities have information relating to their affiliation to the WRC, which can be found in minutes from meetings by groups similar to Edinburgh's FTSG. At least three universities had no visible or accessible information relating to their affiliation to the WRC. This was mentioned in a conversation with People and Planet, an organisation that has encouraged British universities to affiliate with the WRC since 2009. They have continued correspondence with WRC, and said that they had previously not received any negative feedback, and were therefore unaware that UK affiliates were having difficulty tracing factories.

In June 2015 a Skype conversation was held between WRC, the Department for Social Responsibility and Sustainability and the Procurement Office at Edinburgh. The University opened the conversation, explaining the issues they are facing when trying to obtain factory information from suppliers. The WRC assured that this was initially a problem in the US too; universities and colleges tried to find out factory locations and were met with significant resistance. However, in contrast to the UK, US universities were able to more easily request ethical standards in their contracts, including codes of conduct and factory information; if suppliers did not comply after a certain amount of engagement, contracts were terminated, therefore they had little option but to adhere to the requirements. As a result, WRC explained that retail brands and similar companies in the US began to realise this was becoming a general requirement by universities, and they have now started voluntarily publishing supply chain regulatory information on their websites. Unfortunately in the UK, universities can mention the WRC to suppliers, but it simply does not carry the same weight here as it does in the US, and they may not understand the requirements that affiliation entails for universities.

On a more promising note, the three representatives from the University of Edinburgh proposed a webinar with other UK universities who are affiliated to the WRC, People and Planet, and the WRC. This has already been mentioned to People and Planet in a separate Skype conversation, as there is no established network for British universities using the ethical initiative, something that is notably

lacking and could be beneficial. The webinar has been proposed for summer 2015, ideally before the next term commences; WRC and People & Planet have taken responsibility for its coordination. There was also a suggestion from the Procurement Office that WRC could contact UK procurement consortia in an attempt to establish a collaborative membership, whereby the consortia in charge of the tender processes and framework agreements would embed WRC principles into contracts, and would encourage consortia member universities and colleges to also become WRC members.

It is also important to note the recent development of Electronics Watch, a European initiative set up to improve working conditions in the global electronics industry (Electronics Watch 2015). Electronics Watch has been modelled on the WRC, but for Europe, not the US. It is based on the same principles of factory disclosure, yet it is still in the early stages of encouraging universities to affiliate. That said, Electronics Watch are already working closely with London University Purchasing Consortium to develop contract clauses for an upcoming national tender of ICT goods for higher education institutions across the UK (*ibid*). As the consortium develops, it might help WRC to continue engagement with Electronics Watch, in order to gain advice on growing their service in a European setting.

### Suppliers: an analysis of social considerations

This subsection of the report looks at the University of Edinburgh’s suppliers, and discusses various initiatives based on ethical trade. The University of Edinburgh Procurement Office was able to provide a list of suppliers that had been awarded the current Personal and Protective Equipment (PPE) agreement, although the University has predominantly purchased from Arco Limited in recent years. The suppliers offer a range of products, including corporate wear and uniform, sports clothing, personalised clothing and food industry clothing. Out of a total fifteen suppliers, seven have no ethical or environmental policy information on their website, three have environmental statements but no ethical information, and five do have ethical statements available on their websites. The ethical information available was generally in statement form, with information regarding ethical initiatives joined, and codes of conduct that were in place. There was minimal evidence beyond policy commitments, and therefore little tangible information to show the credibility of suppliers, see Table 1 below.

Table 1: PPE Suppliers and ethical information

Supplier Name	Ethical Policy	Environmental Policy	No Information	Additional Information
Alexandra Plc	?	?		- Clear statement - Member of ETI and Sedex
Arco Limited	?	?		- Clear statement - Member of ETI and Sedex - ETI base code - won various awards including The ICAEW Corporate Responsibility Award at the National Business Awards 2008
BOC	?	?		- Clear statement - Own code of ethics and compliance - CSR reports by parent company, Linde

				Group
<b>E&amp;E Workwear</b>	?	?		- Clear statement - ETI base code
<b>Parker Merchating</b>	?	?		Through parent company, Rexel Group: - Annual CSR report - UN Global Compact - Own ethics guide - List of suppliers online
<b>Arden Winch &amp; Co. Ltd</b>		?		Actively encourage the sale of products from environmentally-conscious suppliers
<b>John Astley and Sons Ltd</b>		?		Committed to the need for an environmentally friendly workplace...minimizing any potentially harmful effects to the environment
<b>Lewis' Medical</b>		?		Commitment to controlling and minimising the environmental impact of business activities
<b>Aero Healthcare</b>			?	N/A
<b>Bunzl Safety and Workwear</b>			?	N/A
<b>David R Swann &amp; Co.</b>			?	N/A
<b>Hardedge</b>			?	N/A
<b>Speed One Sports</b>			?	N/A
<b>Trinity Workwear</b>			?	N/A
<b>Uniformity Clothing Co.</b>			?	N/A

Mentioned in Table 1, the Ethical Trading Initiative (ETI) is an alliance of companies, NGOs and trade unions, which promotes respect for workers' rights around the globe (ETI 2015a). The ETI was set up in the 1990s, after encouragement from non-governmental organisations and trade unions, wanting to institutionalise recommendations for socially responsible trade (Hughes et al 2007). Companies, trade unions and non-governmental organisations are allowed to join the ETI, there is no evidence of university membership. Companies must demonstrate a clear commitment to ethical trade, integrate ethical trade into their core business, make annual improvements to working conditions, support suppliers to improve working conditions, and openly report on their activities (ETI 2015b). The ETI is arguably the most influential multi-stakeholder initiative in the UK, with 4/5 of the top UK clothing retailers (Marks and Spencer, Next, Debenhams and Asda) (Hughes et al 2007). Companies that sign up to become members of the ETI adopt the ETI Base Code, made up of a set of nine principles (ETI 2015a):

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Living wages are paid

6. Working hours are not excessive
7. No discrimination is practised
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed.

Whilst membership of the ETI is beneficial as it helps companies, trade unions and NGOs establish ethical trade policies, there is weak enforcement of codes of conduct (Hughes et al 2007). The ETI is less focused on monitoring working conditions, and more committed to developing best practice in ethical trading (*ibid*). Also mentioned in Table 1, Sedex is an organisation committed to making improvements in ethical and responsible business practices in global supply chains (Sedex 2015a). They provide an online database where members can share information on labour standards, health and safety, the environment and business ethics (*ibid*). Importantly, Sedex does not offer a certification to, or code of conduct for, its members (*ibid*). Buyers are able to track suppliers' performance and suppliers are able to share information on their ethical practices in an online system that customers can view (Sedex 2015b).

The University of Edinburgh's current PPE suppliers are listed in Table 1. It is understood that Crescent Purchasing Consortium (CPC) are responsible for coordinating the upcoming PPE tender. CPC have clarified that legal requirements surrounding labour rights have previously been, and will continue to be, covered in their tenders. In the new PPE tender, CPC plan to include broader requirements regarding labour rights, and intend to ask the following questions of suppliers:

"Within the past three years, please indicate if any of the following situations have applied, or currently apply, to your organisation:

Your organisation has violated applicable obligations referred to in regulation 56 (2) of the Public Contract Regulations 2015 in the fields of environmental, social and labour law established by EU law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X to the Public Contracts Directive as amended from time to time."

And, "Corporate Social Responsibility:

1. Has your organisation developed a community investment strategy? If yes please provide a copy.
2. Does your organisation undertake community investment programmes?
3. If yes, state the form of investment (e.g. Cash, Staff time, Gifts in kind, Management time)?
4. Has the development of your community investment strategy included a review of sourcing/purchasing? E.g. local sourcing, sourcing from disadvantaged communities - disabled, ethnic minorities etc. If yes please provide details."

While it is good to know that social factors are being considered, they could be given more specific attention, as the criteria in the question are notably, and purposefully, broad. Instead, during the tender process, suppliers should be asked to provide factory information in order to comply with WRC requirements. Alternatively, suppliers could be asked to display ethical policy and guidelines concerning factory working conditions on their websites, with additional evidence of factory audits. In addition, it is known that suppliers may change their factories regularly; therefore, if this happens suppliers must make sure to disclose this information. If these, or similar, requirements are asked of

suppliers before tenders are contracted, then they will have no option but to comply upon completion of the tender process. According to WRC, this has proved successful in the US, and should work in the UK if it is implemented across the country. It is important to encourage working with suppliers to gain factory information, as contract termination for non-compliance should not be advocated or rushed into.

### **Successful examples of Ethical and Fair Trade Procurement in the EU**

This subsection of the report looks at recent examples of ethical and fair trade procurement by public sector organisation in the EU, before recommending suppliers that the University of Edinburgh could potentially pursue. Ethical procurement implies fairness and decent working conditions at each stage of the supply chain, something that is increasingly difficult to guarantee. Fairtrade goods are different, they do not necessarily imply fairness at each stage of the supply chain, but at the initial stage where raw materials are gathered from farmers – the fair trade guarantee ensures farmers get a decent price for their produce (Fairtrade Foundation 2015a).

At the 2014 European Fair Trade Cotton Procurement Awards, various European public authorities were credited for their commitments to the use of Fair Trade cotton (Fairtrade Foundation 2015b). The awards were held in Bremen, Germany in March 2014 (People and Planet 2014). The awards are used as a tool to show that commitments to Fair Trade can be translated and maintained into real purchasing practices, and resultantly, support and benefit cotton farmers and workers in cotton producing nations (Fairtrade Foundation 2015b).

Four public authorities were credited in different categories. The city of Paris was credited for its commitment to Fair Trade, as a local authority with more than 100,000 inhabitants (there are 2.2 million inhabitants in Paris). One third of Paris' 'uniformed agents' are dressed in Fairtrade cotton – the variety of clothing has also steadily increased in recent years, after the initiative came from the city's procurement staff (Fairtrade Foundation 2015b). It is worth noting that the Brittany region was also highly commended in this category, as they have started a project that supports the Fair Trade cotton value chain, in cooperation with the West African Economic and Monetary Union (*ibid*). Secondly, Traun, a municipality in Austria, was credited for its commitment to Fair Trade, as a local authority with fewer than 100,000 inhabitants (Traun has 23,000). The town has a strong commitment to Fair Trade, with 75% of the municipality staff wearing Fairtrade certified polo tops (*ibid*).

La Poste, France was credited, as a national authority, for its commitment to the procurement of Fairtrade cotton for workers uniforms. At the time of the awards, 100% of the postal workers T-shirts were certified Fairtrade cotton, along with 40% of the work wear – a notable result from efforts backed by campaigns from the postal workers themselves (Fairtrade Foundation 2015b). The Ministry of Defence was also commended for their recent efforts and aim of procuring 5% of their cotton as Fair Trade (*ibid*). Lastly, London School of Economics (LSE) was credited as an educational establishment. The majority of staff at LSE wear certified Fairtrade cotton uniforms – furthermore, all promotional LSE clothing is made with Fairtrade cotton (*ibid*).

The examples above have been rewarded for their commitments, yet furthermore, they show how it is possible for public bodies to procure ethically. A report by the Fairtrade Foundation states that it is

entirely feasible for work wear to be ethically procured – it can be done by: creating specific lots to better identify the Fair Trade offer; using central purchasing systems to simplify the process; standardising characteristics to optimise orders and lower costs; and by communicating with workers about Fair Trade, so they can appreciate the value (Fairtrade Foundation 2014).

The Fairtrade Foundation has published a guide on their website, entitled 'National Fairtrade Purchasing Guide 2015' (Fairtrade Foundation 2015c). Updated annually, it contains a list of suppliers and businesses that supply fair trade products (*ibid*). There is information on what Fairtrade is, why businesses should switch to it, and what benefits there are. Furthermore, there is a list of UK suppliers for wholesale catering and retail of consumables and non-consumables. The list of suppliers of non-consumables is of most note here. Wholesale purchasing is available from these suppliers, and it may be viable for some of these suppliers to be encouraged to bid on upcoming Higher and Further Education sector tenders. The suppliers include:

- Alvastone and Epona\* supply fair trade t-shirts, hoodies and polo tops; see <http://www.alvastone.com/> and <http://www.eponaclothing.com/>
- Cotton Roots, David Luke and KoolSkool supply fair trade work wear; see <https://www.cottonroots.co.uk/>, <http://www.davidluke.com/> and <http://www.koolskools.co.uk/>
- Bagtrade, BIDBI, Esteam Europe Ltd., Everything Environmental, Greenpac, Just Trading and Supreme Creations Ltd. supply fair trade bags; see <http://www.bagtrade.co.uk/>, <http://www.bidbi.co.uk/>, <http://www.cottonwithaconscience.com/home.php>, <http://www.everything-environmental.co.uk/>, <http://www.greenpac.co.uk/>, <http://www.justtrading.co.uk/> and <http://www.supreme-creations.co.uk/>
- Fairtrade Fabric supplies multi-use fabric to order; see <http://www.fairtradefabric.co.uk/>

\*Epona was bought by National Union of Students (NUS) Services in 2013 to help them develop their ethical supply chain work (NUS 2013). In the same year NUS Services also affiliated to WRC (*ibid*). Student unions that are members of NUS Services must buy clothing through contracts with suppliers that NUS are contracted with: Epona, JSW, T-Print and Shirtworks. Therefore, it is not necessary for students unions to individually affiliate with WRC (*ibid*).

A.M Custom Clothing is a wholesale clothing supplier, recently founded with the stated aim of making a difference to the lives of those making clothes for everyday use, such as uniforms and work wear. A.M. mainly supplies t-shirts, polo tops, sweatshirts and hoodies. They state on their website that they advocate transparency and provision of environmentally friendly and ethically made clothing (A.M. Custom Clothing 2014). Clothing is fair trade, certified at each stage of the supply chain (*ibid*). A.M. Custom Clothing have worked with other higher education institutions, including the University of Leeds, the University of Sheffield, and University of Chester; as well as Divine Chocolate and Global Justice Now (A.M. Custom Clothing 2015). All products are ethically certified by renowned, external and independent organisations (*ibid*).

University procurement departments have a primary focus of achieving best value for money when sourcing goods, with ethical factors being increasingly considered. This subsection of the report has aimed to provide some examples of ethical and fair trade procurement, which the University of Edinburgh could follow. Although Edinburgh participates in a national tender, the examples mentioned could be passed on to the consortia responsible for the tender. That being said, the



Procurement Office at Edinburgh have successfully managed to source a proportion of uniforms from Fairtrade cotton suppliers, achieved from ongoing engagement with staff, convincing them to choose the Fairtrade option from a range of products available through the national consortia framework agreement for PPE. Finally, there is always the option that Edinburgh withdraw from the national tender, as there are several British universities who do not take part, including Durham, another affiliate of the WRC, which Edinburgh could correspond with for advice or collaboration. That way, the University could choose their own suppliers, and enforce their own requirements on them regarding factory information and labour standards, within the limits of procurement law.

## **5. Recommendations for the University of Edinburgh**

The fifth section of this report lays out the main recommendations that the research has come up with. The University of Edinburgh, and other higher education institutions, may decide whether to adopt the recommendations as they wish.

- Continue working closely with the WRC; progress with the proposal of a webinar for UK members, and push for its organisation by either WRC or People and Planet – a webinar would allow a network of UK affiliates to develop, and share experiences on sourcing factory information from suppliers
- Consult with APUC primarily, and subsequently other consortia, to find out their views on WRC and whether they may consider affiliating, as APUC and LUPC have affiliated with Electronics Watch – this would embed WRC principles into contracts, and encourage consortia member universities and colleges to also affiliate to WRC
- Continue pursuing/pushing national consortia to consider more ethical policy and labour monitoring in contracts with suppliers; encourage the disclosure of factory information as a requirement for contracting, so this information can be fed back to WRC
- Follow the progress of Electronics Watch, an initiative monitoring electronics supply chains, based in Europe; as it develops, continue dialogue with WRC and suggest they speak again if they want to work effectively in Europe
- If locating factories continues to be an issue, the University risks its reputation; it should therefore in the long term withdraw from suppliers and the consortia, and procure independently; if this happens then consult with Durham, who procure independently and are WRC affiliates
- Consult with the Ethical Trading Initiative and Sedex, see if there is anything they can help universities with, for example, recommending new suppliers if Edinburgh was to withdraw from the national consortia
- Follow in examples of fair trade procurement from European Awards, particularly La Poste, where 100% of postal workers T-shirts are certified Fairtrade cotton
- Review the Fairtrade Foundation Guide of UK suppliers, recommend to the national consortia responsible for the tender process; for example Epona and Cotton Roots – if University of Edinburgh decides to withdraw from the national consortia then it can use the suppliers directly

## 6. Conclusion

As the global garment industry continues to grow, businesses and organisations need to be increasingly aware of where their clothes are coming from, and the working conditions of those who are making them. Universities are taking steps to monitor clothing factory conditions by joining multi-stakeholder initiatives including the Worker Rights Consortium (WRC), and by ensuring an increasing amount of clothes being bought are fair trade. Other initiatives include the ETI, mentioned in section 4.11 – however, no other organisation has been found that caters for the university context in the same way that WRC does. This report has focused on the University of Edinburgh, although the approach has been critical, it is acknowledged that Edinburgh is taking an active role in ensuring sustainable and socially responsible supply chains. The report has provided a review of procurement regulation in the European Union, Scotland and in the University of Edinburgh, an overview of fair trade at Edinburgh, and the effectiveness of the WRC. The University of Edinburgh should follow the recommendations outlined in this report, and continue its affiliation to the WRC, by working closely with the organisation, People & Planet, and the network of UK universities affiliated to the WRC, actively pursuing its commitment to ethical and sustainable procurement.

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