EUROPEAN EXPERIENCES IN RESPONSIBLE PUBLIC PROCUREMENT OF ELECTRIC VEHICLES



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EUROPEAN EXPERIENCES



1. LOW EMISSION VEHICLE PROGRAMME, Electronics Watch

Electronics Watch is a non-profit, non-governmental organization dedicated to assisting the international public sector in working together and collaborating with civil society monitoring groups to safeguard workers' rights within the supply chains of electronic products.

In April 2022, it introduced the Low Emission Vehicle (LEV) programme, which seeks to extend the model used for ICT products into the automotive industry.

Local participants in the programme: Barcelona City Council and Metropolitan Transport of Barcelona.

Other involved public entities:

- Advanced Procurement for Universities and Colleges (United Kingdom)
- Transport for London (United Kingdom)
- Flemish Agency for Facility Operations (Belgium)
- Oslo City Council (Norway)
- Hamburg City Council and Hamburger Hochbahn AG (Germany)
- Berliner Verkehrsbetriebe (Germany)

2. HAMBURG

Both Hamburg City Council and the public transport operator Hamburger Hochbahn AG participate in the Electronics Watch Low Emission Vehicle (LEV) programme.

Hamburg City Council incorporates clauses into contracts for light vehicles, requiring supply chain transparency. It has also engaged in discussions with suppliers to identify the locations of chip and battery production facilities.

Meanwhile, **Hamburger Hochbahn** has established a set of award criteria for electric bus procurement, successfully applying these in at least two tenders. The number of bids received in these tenders remained consistent with prior ones, indicating no adverse effect on competition. These criteria contributed 10% to the overall tender score. They are organized into the following categories:

- Environmental and natural resource protection
- Social responsibility in manufacturing
- Batteries and battery cells
- Responsible raw material sourcing
- Integrated circuits
- Sustainability standards for suppliers of electric bus components and parts

• Protection of the Environment and Natural Resources: This category evaluates the presence of a life cycle analysis (LCA) or carbon footprint assessment for the manufacturing phase of the electric bus or its battery, conducted using methodologies aligned with recognized standards and supported by detailed calculations and results. It also examines whether there is a process in place to prioritize the use of recycled materials and enhance recyclability at the end of the product's life. • Social Responsibility in Manufacturing: This assesses how robust occupational health and safety protections, respect for human rights, and decent working conditions—aligned with ILO core standards—are ensured across all manufacturing facilities. Specific measures, management systems, or existing audits must be detailed to demonstrate compliance. *This is more effectively implemented as a special condition of execution.

• Batteries and Battery Cells: This category values assurances that batteries and cells are manufactured with strong environmental protection, health and safety standards, energy efficiency, and adherence to human rights and fundamental labour rights. Compliance can be demonstrated through certificates or management systems related to environmental, energy, health and safety, and human and labour rights standards at production facilities (e.g., ISO 14001, ISO 50001, ISO 45001, BS OHSAS 18001, or SA8000). *Implementation: same as above.

• Responsible Purchasing of Raw Materials: This assesses the company's efforts to ensure transparency in the sourcing and extraction conditions of high-risk raw materials used in batteries and other electric vehicle components (including cobalt, lithium, nickel, manganese, graphite, tin, tantalum, tungsten, and gold). It evaluates how due diligence is conducted concerning human rights and environmental protection within the supply chain. Bidders are required to disclose details of the battery supply chain stages (e.g., battery supplier, battery cell supplier, refineries, extraction sites) and specify which stages have been verified by an independent third party or the company itself, accompanied by the relevant audit report. Alternatively, proof that the battery excludes the listed conflict minerals is acceptable, supported by confirmation from the battery supplier and details of the battery's material composition. *Implementation possible as a special condition of execution.

• Integrated Circuits: This category evaluates how the manufacturer of integrated circuits for the inverter and battery management system ensures robust environmental protection, energy efficiency, health and safety, and adherence to human rights and the ILO's core labour rights. Compliance is verified through accreditations such as ISO 14001, ISO 50001, ISO 45001, EMAS, BS OHSAS 18001, or SA8000 for the manufacturing facilities. *This is more effectively implemented as a special condition of execution.

• Sustainability Standards for Suppliers of Electric Bus Components and Parts: This appreciates whether the contractor contractually mandates direct suppliers of parts and components to uphold sustainability standards and perform due diligence on human rights, evidenced by a commitment to a code of conduct or equivalent document. The evaluation also considers the scope of the required code of conduct or similar document, covering topics such as ILO core labour rights, energy and water consumption, waste management, responsible handling of chemicals, anti-corruption measures, fair competition, mechanisms for receiving complaints, responsible raw material procurement, and the obligation for direct suppliers to extend these sustainability standards to their own suppliers. *This is more effectively implemented as a special condition of execution.

3. STOCKHOLM

Although the Stockholm Region is not a member of the Electronics Watch LEV group, it demonstrates commendable practices in this domain. Notably, in its open contract for bus transport services (Exp. TN2023-0210), it outlined several noteworthy special conditions of execution, detailed below.

• Supplier Compliance with a Code of Conduct: As stipulated in the contract specifications: The contractor is required to implement a due diligence process concerning human rights.

• Special Requirements for Vehicle Procurement, Including Electric Buses and Batteries: The contractor must ensure that manufacturers of batteries, bodywork, chassis, and the companies handling assembly adhere to the code of conduct. Additionally, compliance with current EU regulations on batteries and their waste must be guaranteed for all batteries utilized under the contract.

• Requirements for Sustainable and Transparent Supply Chains: The contractor must ensure that batteries are sourced exclusively from suppliers implementing a due diligence process aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The contractor is also responsible for ensuring traceability of battery cathode materials across the entire supply chain, enabling the contracting authority to track their origin.

• For the Procurement of Buses and Batteries: Before acquiring electric buses or batteries—whether new or second-hand—the contractor must provide a supply chain report for the electric buses and/or batteries, using a pre-designated form. If the contractor plans to source electric buses or batteries from countries rated 5 or +5 on the ITUC Global Rights Index, or from countries without a recorded rating, they must submit audit reports from on-site inspections conducted by independent entities with expertise in relevant risks (e.g., auditors accredited by the Responsible Business Alliance or equivalent, adhering to the RBA Auditor's Guide or similar standards). The contractor within 20 days of approval. If the documentation is not approved, the contractor must take corrective actions to meet the commitments, such as sourcing from alternative countries or manufacturing locations.

• Due Diligence Requirements: To adhere to the code of conduct, the contractor must establish a due diligence process to identify, prevent, mitigate, and address negative impacts arising from its own operations and those within its supply chain. A set of specific commitments is outlined to ensure the effectiveness of this due diligence process.

• **Reporting Requirement:** If the contractor has reasonable grounds to suspect or confirm a serious breach within its operations or supply chain, it must notify the contracting authority within two weeks, detailing the circumstances and the corrective measures implemented. Serious non-conformities include forced labour, child labour, life-threatening working conditions, significant environmental harm, widespread corruption, and attacks on environmental or human rights defenders, as defined in the supplier code of conduct. The contractor is responsible for covering the costs of any reviews required to confirm that identified violations have been resolved.

> In other tenders, the use of specific components containing coltan has been explicitly banned.

> The Stockholm Region also commissioned two studies¹ conducted by ETI Sweden, focusing on human rights risks associated with buses, trains, and trams in Swedish public transport. These 2024 studies examine various supply chain elements and their impacts, contextualized within existing regulations.

https://etisverige.se/wp-content/uploads/2023/10/Full-Report-Electr-Buses-ETI-Sweden.pdf and https://etisverige.se/wp-content/uploads/2024/03/Train-tram-full-report_ETI-Sweden.pdf

3. MALMÖ

While the Swedish city of Malmö is a member of Electronics Watch, it does not participate in the LEV programme. It is, however, part of the International Working Group on Ethics in Public Procurement for IT.

In June 2022, Malmö City Council released the report Better Batteries: Malmö's roadmap toward ethical and climate-smart public procurement of e-vehicle batteries. This report evaluates risks tied to battery procurement and offers recommendations for the public procurement of electric vehicles, including:

1. Incorporate ESG Considerations into Procurement Criteria for EVs and EBs

- RMM1: Establish procurement criteria to favour suppliers of EVs and EBs that minimise emissions in the battery manufacturing process.
- RMM2: Require suppliers of EVs and EBs to disclose information on their raw material supply chains.
- RMM3: Establish procurement criteria that favour suppliers sourcing battery raw materials from sub-suppliers certified as compliant with international best practice.

2. Reduce Unnecessary Procurement

• RMM4: Establish mechanisms for departments within the Malmö municipality to share EVs and EBs - thereby reducing the total number of vehicles needed.

3. Address the Root Causes of ESG Issues in Battery Supply Chains

• RMM5: Support initiatives that aim to address the causes of environmental and social problems in battery supply chains.

4. Focus on Recycling and Reuse

• RMM6: Lease/purchase vehicles from EV and EB manufacturers who already have recycling/re-use schemes in place.

- RMM7: Investigate second-life options to prolong EV battery life.
- RMM8: Consider leasing batteries, separately from vehicles.

4. OTHER EXPERIENCES

Oslo

Oslo City Council, a participant in the LEV programme, has sought to incorporate due diligence requirements into contracts for light vehicle supplies. To this end, they mandate that companies provide specific documentation aligned with OECD guidelines to qualify for dynamic purchasing systems. Although no preliminary market consultation was conducted, they consider the market sufficiently mature and are integrating these clauses based on the Norwegian supply chain law. The tender specifications require the following as accreditation mechanisms: policies and guidelines on responsible conduct, codes of conduct, and detailed descriptions of due diligence, transparency, and traceability processes.

Berlin

Berliner Verkehrsbetriebe, also a member of the LEV programme, stipulates in its tenders that a commitment to uphold human rights and conduct corporate due diligence is a special condition of execution. This is grounded in the European Model Contract Clauses and references international frameworks such as the Ruggie Principles and OECD due diligence guidelines, alongside the supplier's code of conduct. Additionally, Berlin mandates supply chain disclosure as a special condition of execution, supported by control mechanisms including audits, documentation, and reports, as well as measures to address non-compliance.

London

Transport for London, as part of Electronics Watch's LEV programme, is collaborating with Hamburg City Council to engage suppliers and determine the locations of electric vehicle chip and battery factories. It is also exploring the inclusion of due diligence clauses in contracts for charging points.

European experiences

RECOMMENDATIONS



Based on an analysis of regulations, international experiences, and opportunities for dialogue with public administrations during the research, a set of fundamental recommendations has been developed.

• It is advised to consider incorporating clauses—particularly **special conditions** of execution—that require contractors to provide highly detailed information about the electric vehicle supply chain, especially regarding batteries (e.g., battery supplier, battery cell supplier, refineries, extraction sites). Such clauses, already adopted by Hamburg and Stockholm, enable monitoring of socio-environmental impacts across the supply chain. They align with existing regulations, notably the European Critical Raw Materials Act, which emphasizes the need to understand and diversify the European Union's imports of strategic raw materials.

• Collaboration with other public administrations is deemed highly valuable for aligning the clauses to be implemented and amplifying influence over the market. Efforts should primarily focus on contracts related to electric buses and other vehicles where the public sector holds sway, as demand for passenger cars is predominantly private.

• It is recommended to **build partnerships with non-profit organizations like Electronics Watch** to jointly develop effective, internationally agreed-upon clauses among various public administrations. This collaboration would also facilitate access to detailed insights into the actual socio-environmental impacts of supplier companies' supply chains, supported by monitoring mechanisms and on-site inspections. One approach for a contracting authority or a coalition of public administrations to gain detailed insights and oversee the supply chain is to commission targeted studies, as exemplified by Stockholm's analysis of its train and tram supply chains.

• Regarding the potential inclusion of requirement clauses—such as special conditions of execution—mandating due diligence policies or adherence to codes of conduct for suppliers and supply chain actors, it is advisable to also require **third-party verification reports and/or external audits**. These would validate genuine implementation, consistent with Articles 48 and 49 of the Regulation on batteries and their waste.

• To assess market conditions, identify available solutions, communicate needs, and encourage innovation in the desired direction, launching **preliminary market consultations or creating open dialogue platforms** (as practiced by London and Electronics Watch) is recommended.

•Training technical staff is deemed essential to equip them with knowledge about rights violations and environmental impacts associated with these contracts, enabling them to address these issues through targeted clauses.

• In accordance with the circularity measures outlined in Article 26 of the European Critical Raw Materials Act, there is a need to 'enhance the use of secondary critical raw materials, including through actions such as incorporating recycled content into public procurement award criteria or providing financial incentives for utilizing secondary critical raw materials.' Consequently, drawing on the clauses adopted by Hamburg and the guidelines from Malmö, it is recommended that contracts for electric vehicle supply or transport services include **award criteria evaluating the highest proportion of recycled material in batteries.** This should be substantiated through documentation such as the technical data sheet or a manufacturer's certificate.

• In contracts for the supply of electric vehicles, to foster a circular economy and minimize the extraction of critical minerals—while adhering to the Regulation on batteries and their waste, which mandates distributors to accept waste batteries free of charge irrespective of composition, brand, or origin (Article 62)—it may be advisable to include a special execution condition. This condition could **require the contractor to take back batteries for end-of-life management,** accompanied by documentation verifying that they have been prepared for reuse or recycling.

• With a view to further minimizing environmental impact, it could be beneficial to incorporate **award criteria in contracts for electric vehicle supply that prioritize the lowest carbon footprint of batteries.** Hamburg has already implemented a comparable clause, and the Regulation on batteries and their waste mandates, under Article 7, that a carbon footprint declaration be prepared for each battery model starting 18 February 2025, or twelve months after the delegated act takes effect.

• To reduce the procurement of vehicles and batteries—and thereby lessen the environmental impacts tied to administrative consumption—it is advisable to conduct an **internal review to explore alternatives to purchasing new vehicles and batteries.** Options could include leasing or car-sharing arrangements, or identifying innovative solutions for specific mobility needs (e.g., vehicle sharing across departments or areas, or replacing motorized vehicle tasks with non-motorized alternatives).

• Lastly, it will be essential to **keep track of market trends and regulatory updates,** including the transposition of the CSDDD, as well as the implementation of key provisions from the Regulation on batteries and waste batteries and the European Critical Raw Materials Act. Notably, Article 85 of the Regulation on green public procurement stipulates that the Commission will introduce delegated acts to enhance the Regulation by defining sustainability award criteria for procurement processes involving batteries or products that incorporate them.

Recommendations

This document provides a partial summary of the report *Critical Conflict Minerals and Electric Vehicles in Public Procurement: Possibilities for Action at the Municipal Level*, commissioned by Medicus Mundi Mediterrània and prepared by the Ent Foundation.





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