

Addressing differentiated impacts on Women in Global Supply Chains: BSR's work and methodologies to integrate a gender perspective in supply chain due diligence

Francesca Manta, Business for Social Responsibility (BSR) UN Forum on Business and Human Rights 2019

Dear chairman, dear delegates to the 'Gender Council',

I am honored to be part of this panel today and to represent Business for Social Responsibility (<u>BSR</u>), a non-profit membership-based organization with the mission of advancing a just and sustainable world through collaboration and advisory to the corporate sector. We are pleased to share insights from our work with you today.

We know from the world of business that data is paramount, who can forget the old adagio 'what gets measured, gets done'. And in fact, human rights progress is also shown through data: we collect data on health and safety incidents in our operations, the number of HRIAs conducted in x number of countries, the number of employees trained. However, when it comes to measuring the business-related human rights impacts on women and girls this data is largely missing. Since the adoption of the UNGPs, human rights due diligence has mostly been gender-neutral or rather gender-blind, leaving these impacts invisible. Gender-disaggregated data is also largely missing at a broader level, with only 21% of the data needed to monitor the 54 gender-specific indicators in the SDGs being up to date.

Yet we know that women and girls experience adverse human rights impacts in unique ways and are often affected by them disproportionately than men and boys – this can be particularly severe in global supply chains. The recent Gender Dimensions report clearly states on one side that that companies have the responsibility to require their suppliers to respect the human rights of women in their operations; on the other that to conduct gender-sensitive assessments they must collect sex-disaggregated data.

Our work seeks to address both. Since 2016, BSR has worked on women's empowerment issues in supply chains, and to bridge this gap and provide guidance to business and stakeholders at large on how to conduct gender-sensitive due diligence – from creating gender-sensitive Supplier Codes of Conduct to gender-sensitive social auditing. This year thanks to the C&A Foundation this work culminated in the report: 'Making Women Workers Count – A framework for conducting gender-responsive due diligence in supply chains'.

The report is a framework for action with detailed guidance to conduct due diligence in supply chains and is complemented by a technical tool, the Gender Data and Impact tool (GDI), to be used as the collection and analysis system. While compliance in policies and procedures is still important in supplier assessments, the framework moves the focus to outcomes on women workers as critical and at the forefront of the assessment.

Following the guidance of the Gender Dimensions report, we provide steps along 4 phases of due diligence:

1. Assess and analyze, 2. Integrate and Act, 3. Track, and 4. Communicate

Key to the framework is to understand the context of suppliers, from the purchasing practices they are subject to, to the record of legal and substantive gender equality in the country. Collecting this data helps to go beyond the usual context risk assessment that is common in human rights due diligence, to understand how women may be at risk simply due to to abusive work environments, or to local gender norms.

The GDI tool is then used to conduct a factory baseline assessment to map gender gaps in worker outcomes, such as workforce split across functions and contract type, but also how gender can be a defining factor in workforce dynamics that impact financial performance - absenteeism, turnover, productivity.

Workforce impact indicators are also collected, and these inform the outcomes on gender equality. For example: Are women able and comfortable to speak up and raise complaints? Are they represented in local unions or committees? Are occupational health and safety impacts different on women, because of their gender specificities?

How are sexual and reproductive health rights protected? And the way we collect this data is equally important, not only by integrating existing questionnaires and audit forms, but also by training auditors in gender-sensitive interviewing and gender-representative sampling.

The report then guides brands and suppliers to act upon the data and integrate it into their programs, including a root cause analysis model to put in place gender-transformative measures and a collection of best practices.

One might ask: isn't this data already collected in the thousands of audits conducted for global brands every year? BSR analyzed in 2017 one of the main ethical audit databases and uncovered that out of the 235,000 non-compliances identified within 87,000 audit reports (between 2014 and 2017), only 935 were gender-specific non-compliances (0.4 percent of total non-compliances). The top three issues were easily identifiable by auditors, either visually during site observation, such as the lack of gender-segregated washrooms and toilet facilities (46 percent); or through document checks, such as the absence of policies on discrimination (19 percent) and sexual harassment (13 percent). Social audits tend to focus on what is seen, such as policies and infrastructure, rather than more hidden impacts such as discrimination and harassment.

With circa 190 million women employed in global supply chains, it is therefore critically important to capture women's voices and their impacts both identifying the challenges they face in a particular setting and devising the most adequate solutions. The GDI indicators are being integrated within SEDEX, a world-leading ethical service provider, leading to the revision of its self assessment questionnaire, audit protocol (SMETA), risk assessment and worker voice tool (effective in 2020) enabling its members to collect more gender-disaggregated data and drive improvements for women.

Integrating the Gender Dimensions recommendations in human rights due diligence will be multifaceted but our hope is that brands and suppliers will recognize that to act upon gender inequality and disproportionate impacts on women and girls, a systematic approach to context analysis and data collection must be taken.

Thank you.

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Business for Social Responsibility

ABOUT BSR

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