

## **Open Call for Input regarding the Working Group's Report on the Gender Lens to the UN Guiding Principles on Business and Human Rights**

### **Submission by the Ethical Trading Initiative**

The Ethical Trading Initiative (ETI) is a membership organisation bringing together companies, trade unions and NGOs to improve the lives of workers in global supply chains. ETI helps companies deliver against their obligation to be a responsible business through our [Base Code](#), a globally recognised code of conduct, to which companies commit and report against. We have approximately 90 corporate members including major retailers and supermarkets based in the UK and abroad.

ETI works to promote the implementation of the UN Guiding Principles on business and human rights (UNGPs), focusing on labour rights, with a primary emphasis on corporate responsibility to respect human rights through multi-stakeholder engagement and robust due diligence processes. Workers' ability to access their universal right to freedom of association is a critical element of ETI's approach to due diligence, as it enables workers themselves to negotiate their own terms and conditions of work, and provides a structured mechanism through which grievance and access to remedy can operate. ETI also provides an important platform for ETI's corporate members as well as trade unions and NGO members to collectively advocate with governments and policy makers to meet their responsibilities to protect workers from exploitation and abuse.

In line with the UNGP's, and through the promotion of our own [Human Rights Due Diligence Framework \(HRDD\)](#), ETI encourages member companies to identify and address actual and potential risks to human rights in its business operations, relations and in the services that it uses. This includes risks connected with the business 'footprint', where there may be no direct business relationship, but where risks can be linked to supply chains.

ETI has more recently begun to emphasise the need for companies to mitigate the risk of potential adverse impact on women workers by adopting a *gendered* approach to human rights due diligence that is comprehensive, multi-stakeholder and puts both women workers' rights to voice and representation at the heart of prevention, mitigation and remedy strategies. This has emerged on the back of findings from a gender analysis of ten corporate members conducted in 2017, with the aim of understanding the different strategies that are used to support women workers in supply chains to realise their rights.

A key finding of the exercise was that in majority of company initiatives, there was inadequate gender sensitivity as part of the human rights due diligence and analysis. Many of the initiatives and programmes implemented across the board were driven by philanthropic concerns rather than a recognition of the need to support gender equitable workers' rights. The research also highlighted the following:

- Companies are adopting a fragmented approach to gender equality and women worker's rights rather than viewing the issue as a strategic part of their business operations and an enabler of safe and decent working conditions.
- Common drivers for implementing gender-related initiatives include the desire for impact on workers lives, reputational risk, strategic product sourcing considerations and concern for women workers.
- There is a lack of systemic data collection and reporting. When data was captured, it did not reflect changes in workers conditions and was neither visible nor accessible.

- Companies continue to rely on social audits which are largely unable to pick up discrimination issues in supply chains.
- For the most part, initiatives were not necessarily looking at scale (moving beyond first tier).
- Women's voices were not being included in design, planning and implementation of initiatives aimed at improving their working conditions.
- Limited engagement with men (as change agents) and trade unions.

A summary of the findings is available [here](#).

Although companies are increasingly aware of the business benefits and gains of promoting gender equality in their supply chains, they do face challenges in terms of how to do this at scale and in a manner that results in long-term improvements in working conditions. Small and medium-sized companies in particular still struggle to map human rights risks in the supply chains, and in certain cases to mitigate and remediate labour rights violations. Very few have in place systems to identify potential risks or prevent labour rights abuses before they occur. It is thus no surprise that companies that identifying gender-related risks and preventing labour rights abuses against women workers in supply chains continues to be a challenge.

To fill this gap in understanding and capacity across our membership, ETI has recently published a [Base Code Guidance on Gender Equality](#). The Guidance has been developed in two parts;

- **Part A (Gender and the Base Code)** sets out the rationale for why there is a need to address gender inequality in supply chains including the key issues that affect women workers given their nuanced vulnerabilities. It essentially outlines the gender dimensions of the Base Code and the challenges companies face in observing the principles of the Code from a gender perspective.
- **Part B (Gender and human rights due diligence)** provides guidance to companies on a gradual and long-term approach towards integrating gender equality and women worker's rights in their supply chains. Using the ETI HRDD framework as a starting point, the guidance outlines how companies can assess the actual and potential risks to women workers in their supply chains and design appropriate responses that result in sustainable improvements to working conditions for both women and men workers.

The guidance is an attempt to provide practical steps for companies that want to prevent, mitigate and remedy risk to women workers in their supply chains. Going forward, ETI will be monitoring companies to document good practice that reflects this approach. As members of ETI, companies are required to report yearly on their ethical trade strategies and activities. The ETI Reporting Framework, which is in line with the UNGP reporting framework, encourages members to follow a due diligence approach to assessing labour risks in their supply chains including gender-related risks. However, across the board, there is very little evidence which shows companies are actually assessing gender-related risks and using this to inform ethical trade programmes. More work is therefore needed to build understanding of what this entails and how it can be done.

In addition to assessing risks, ETI will also be looking for evidence in member company reports on the following:

- **Commitment:** evidence of commitment (policy, strategy) to explicitly respect women's labour rights in their supply chain.
- **Identifying labour rights issues** including gender-disaggregated mapping of the supply chain (where women work, what roles); risk assessment processes that considers gender-related

risks; monitoring processes that uncover gender-related issues and other forms of discrimination; grievance mechanisms that are accessible to women workers.

- **Prevent, Mitigate, Remedy** - evidence of increased awareness by women workers of their rights under local law and the ETI Base Code; worker representation mechanisms that are inclusive of women and gives them a voice; capacity building initiatives that focus on women's rights in the workplace; gender-sensitive remedy processes (i.e. processes that consider the vulnerabilities of women and the challenges they might face in accessing and benefiting from remedial actions when harm is caused to them).
- **Track and communicate** - tracking changes in women workers' conditions as a result of actions.

Finally, the UNGPs note the need for consultation and engagement with workers as part of a human rights due diligence. However, it is also known that women workers across global supply chains are typically disadvantaged when it comes to voice and representation. They lack knowledge of their rights and the confidence to demand for them. Unions and other forms of worker representation can also inadvertently exclude women.

ETI regards the right to freedom of association as a pre-requisite to effective protection of labour rights and mature industrial relations. In the gender analysis exercise, the research found evidence that when women's voices were heard, they were vulnerable to victimization. This is in part due to lack of formal representation and mechanisms for social dialogue in particular through trade unions. ETI is thus working towards building understanding and capacity of corporate members to enable effective worker representative that is representative and inclusive of women. We are currently conducting some research which aims to highlight case studies where freedom of association and collective bargaining has supported gender equality in supply chains through better engagement with women worker's representatives. The case studies will be available by January 2019.

It is critical that gender issues in global supply chains are acknowledged and addressed as human rights and labour rights issues and are framed by the UNGPs so that women are not dependent on philanthropic sentiments but rather have their employment rights fully realized, and have access to redress when their rights are abused. From ETI's experience in the area, it is very clear that more work needs to be done in terms of developing this understanding and providing the evidence to demonstrate benefits to the business and to workers.