



Gender-Responsive Due Diligence: What is the future?

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**Building
Bridges** for
Women's Economic
Empowerment

Introduction

The Current Situation

The Dutch are considered an egalitarian society, even while being recognized as leaders in global business. As such, how can it be that amongst the Netherlands largest 100 publicly listed companies, there are more men named Peter (five) than female CEOs (four) and even the top companies for gender equality rate below their global counterparts? Has gender and women's economic empowerment and resilience (WEE/R) lost out in the bargaining over priorities? Can gender-responsive due diligence (GRDD) address these disparities in Dutch business, particularly in value chains?

GRDD can be understood as the process through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts on women's rights and gender equality as an integral part of business decision-making and risk management systems. Effective GRDD ensures that enterprises 'do no harm' to women, and usually prevention and mitigation measures will 'do good' to women by enhancing their economic empowerment, e.g. where [gender committees](#) established in global value chains enhance women's job security, career perspectives, and protection against violence. GRDD is an important avenue to achieving WEE/R. Like WEE/R, GRDD can only be fully implemented when there is a compelling business case for addressing adverse gender impacts.

The Responsible Business Conduct Agreements (RBCAs) for 11 key sectors, demonstrate the lack of prominence of GRDD in current Dutch international business practice. Despite their importance as priority risks (as identified by KPMG), women's rights and gender equality hardly figure in the due diligence efforts and collective commitments. Many factors contribute to this lack of commitment to GRDD including a lack of guidance in international standards, limited NGO expertise, and perhaps that the RBCA value chain initiatives were weak in gender from the start. In the end, gender simply lost out in the bargaining. Equileap, a leading global gender equality research firm, published a report in October 2020 on workplace equality amongst the largest 100

public companies listed in the Netherlands on the Euronext Amsterdam Stock Exchange which confirms this reality. It found that no company monitors the number of women-owned businesses in its supply chain. No company collects, monitors, or analyses gender disaggregated data on key performance indicators for companies in its supply chain, such as gender diversity in leadership and the workforce. Only 19% of companies have an equal pay for equal work or gender non-discrimination in pay clause in their supplier standards. These results show the Netherlands is lagging behind its global peers in workplace equality.

Recognizing the potential to simultaneously catalyze economic growth and improved business performance as well as contribute to broader human development through WEE/R, global value chain initiatives have started to act on gender issues, and a Shared Value approach identifies and acts upon the business case at the community level. For instance, violence at the workplace and at home is known to have a negative impact on women's wellbeing, confidence and productivity, leading to increased absenteeism. Pressure is increasing for stronger government policies and legislation for Responsible Business Conduct (RBC) and due diligence, as voluntary standards, codes of conduct and commitments are not effectively addressing the impacts of business on people and planet. Calls for legislation and binding human rights due diligence (HRDD) instruments at the UN, in the EU and in the Netherlands are adding momentum.

What can stakeholders do to enhance GRDD?

COMPANIES have an interest in addressing actual or potential negative impacts on women's rights, to protect their reputation and license to operate, and also to improve their bottom line by addressing the obstacles to women's full participation in their value chains. Despite this compelling value proposition, meaningful action is lacking. This starts with a lack of leadership and commitment at the top, linked to insufficient data on risks, impacts and achievable targets, resulting in the lack of a concrete business case for a company. The lack of effective government regulation in sourcing countries, and business models based on exploitation of cheap (women's) labor are additional obstacles that some businesses consider beyond their control.

GOVERNMENTS have the key duty to protect human rights. The Netherlands' government implements this duty towards the private sector through its RBC policy. The RBCAs are an important instrument in this policy and present an opportunity to embed solid regulation on Gender-Responsive Due Diligence going beyond "ticking the box" on gender. Companies want legal requirements to be aligned for a level playing field across countries and gender is one issue among many others and is framed in abstract terms without substantive proposals. The moment is now to reinforce standards for GRDD that would benefit the millions of economically excluded and exploited women globally.

CIVIL SOCIETY AND WOMEN'S ORGANIZATIONS in particular are key to driving change. They have the intrinsic motivation, stamina, expertise, legitimacy with the women concerned, and knowledge about the women's needs and potential that are needed for the sustained, strong and substantive lobby and advocacy to achieve GRDD in practice. The Dutch women's movement must harness the momentum for gender equality by working with allies in companies, government and CSOs. Collaborating strategically with like-minded movements including for binding HRDD, the Sustainable Development Goals and the climate movements. This builds cross-movement leverage and enhances each movement. Internal gender champions are invaluable allies and need external support to establish commitment to WEE/R in their organizations. This inside-outside strategy has proven particularly effective in achieving sustained progress. Women's rights organizations including Win-Win Strategies/Women Win (WWS/WW) can play a crucial role, striking a balance between helping companies overcome the disincentives to GRDD by providing substantive guidance and standards while also holding them to account.

Gender equality cannot continue to lose out at the bargaining table. The way forward must be built on collective benefit and multi-sector collaboration. Recommendations include:

- Concentrate on priority issues such as violence against women, living wages and/or voice for women. Lobby and advocate for mainstreaming GRDD with a mix of voluntary and mandatory Due Diligence standards and instruments along with their enforcement, at the national, EU and UN level.
- Engage with voluntary multi-stakeholder initiatives and sustainable global value chain initiatives, to embed GRDD/WEE/R in policies and practices. Work to fill data gaps and use knowledge platforms to spread GRDD expertise.
- Amplify the voices of women workers' and grassroots women's organizations. Support women's economic literacy and resilience, ability to lobby and advocate, and to be strong multi-stakeholder partners.
- Harness consumer power in a manner that encourages businesses to advance gender equality and showcase those companies who do step up to lead.
- Support companies' leadership on GRDD, by offering the tools, expertise, data, business cases, networks, and services to facilitate multi-stakeholder partnerships.

How can Dutch companies start GRDD?

What can an individual Dutch company do to start GRDD based upon their unique situation?

- Identify and convene internal gender champions from across the organization to:
 - gather activities, tools, data and knowledge that already exist across the company. A review of competitors and global innovators business practices can be particularly helpful.
 - conduct an assessment of gender issues in the company's value chain and select issues that pose the biggest, perhaps hidden, risk e.g. violence against women, job security, wage levels and overtime pressures.
 - build the company's business case for GRDD as one step toward defining WEE/R goals.
- Partner with women's organizations and engage external experts (research institutes, government data, CSOs) to ensure the business case is transparent and includes both internal and external activities and perspectives.
- Leverage the power of peers by joining with other companies on RBCA and sustainable value chain initiatives to identify opportunities, including for collective action.
- Engage with government actors to ensure a voice in policies and regulations that define a company's responsibilities and create a level playing field for business.

Women's economic empowerment and resilience is good for business and society. Pragmatic gender-responsive due diligence (GRDD) can advance WEE/R by addressing gender disparities in business and ensure Dutch leadership in global value chains is efficient, effective and equitable.