



Building a Better Future for Women Workers in International Product Supply Chains

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In October 2020, Equileap published its first report on Gender Equality in the Netherlands¹, assessing 100 leading companies on workplace equality. Additionally, the report included a deep dive on gender equality in global supply chains², which involved investigating to what extent companies implemented social supply chain standards with a gender lens.

The average score of Dutch companies on the Equileap Gender Scorecard™, which focuses on performance in the workplace, was 37%. This is significantly lower than the 48% average for the top 100 French companies, and 50% for the top 100 British companies. Thus, indicating that there is still a long way to go to achieve workplace gender equality in The Netherlands. The report draws a similar conclusion when it comes to addressing gender equality in global supply chains:

“Two-thirds of the companies offer transparency on social supply chain topics, but we found very little data on how the companies are approaching gender equality in the supply chain. While we have found that Dutch companies are becoming more transparent and performing better on gender equality in their workforce, we did not find evidence that this is being extended to the supply chain.”³

Yet, it is also important that women workers' rights are protected in global supply chains. There are approximately 190 million women working in global supply chains. While their jobs may offer women some economic independence, if social standards go unmanaged, the reality can include low wages, excessive hours, unsafe conditions, and sexual harassment.⁴ Moreover, in this past year COVID-19 has exacerbated the situation of women workers, economically and socially. To ensure companies improve their performance on Equileap's supply chain indicators, and to counter the implications of COVID-19, they need to take action now. The OECD Due Diligence framework⁵ is a helpful tool to structure the actions companies can take now to build a better future for women workers. It consists of six steps:

¹ Gender Equality in the Netherlands, Equileap, October 2020. Accessed at: https://equileap.com/wp-content/uploads/2020/10/Equileap_DutchReport.pdf

² Equileap defines the supply chain as the lifecycle of a company's goods and services. They have specifically evaluated how companies ensure gender equality in activities linked to their operations, products, or services by a business relationship. While we realise that the top 100 Dutch companies represent a wide range of sectors, this article focuses primarily on international product supply chains.

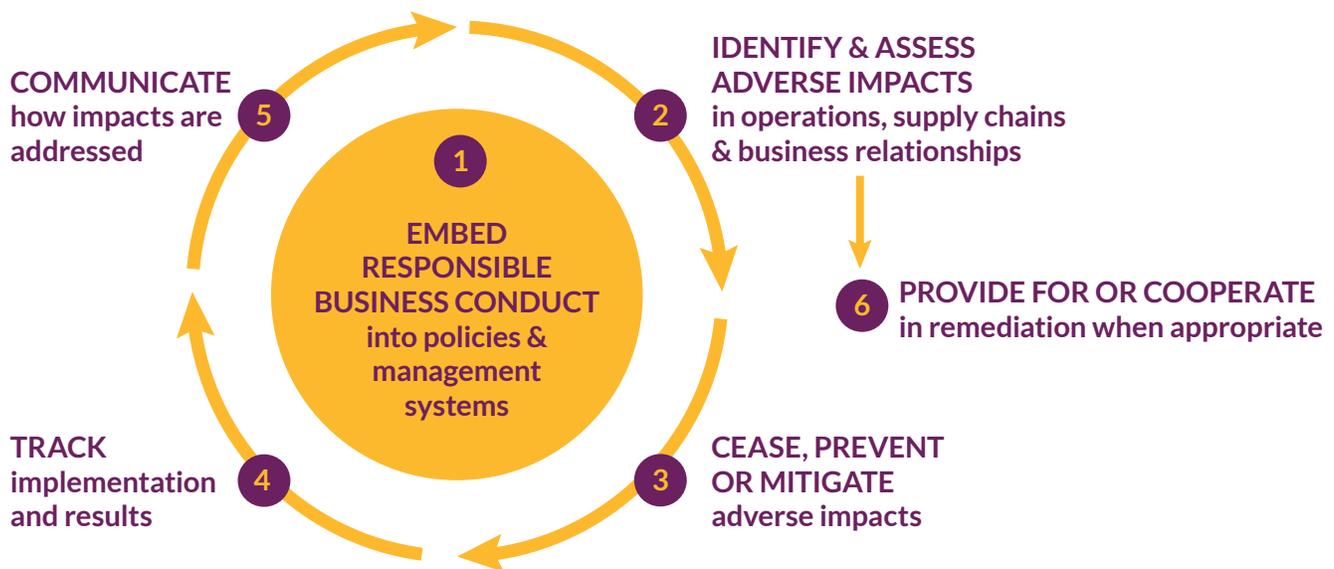
³ Gender Equality in the Netherlands, Equileap, October 2020, page 10

⁴ <https://www.ethicaltrade.org/issues/gender-equity-global-supply-chains>

⁵ OECD due diligence guidance for responsible business conduct, OECD 2018. Accessed at: <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

1. Embed responsible business conduct into the enterprise's policies and management systems

Since the start of the pandemic, increased levels of gender-based violence ('GBV') have been reported. Domestic violence has increased by over 25% in some countries as a result of lockdowns. When households are placed under the increased strains that come from security, health and money worries, and cramped and confined living conditions, levels of domestic violence spike. At the same time, victims face limited access to protective services during periods of quarantine. An example of a measure Dutch companies can take in this respect, is to commit to employee protections in their supply chain, e.g. by pushing for swift ratification of ILO Convention C190 on Violence and Harassment.



2. Identify and assess adverse impacts in operations, supply chains and business relationships

COVID-19 has constituted a "new normal" for women workers in many global supply chains. Reports have indicated that COVID-19 is not only posing a risk for the health of women workers and their families, but it also increases the burden of unpaid care work, through school closures and limited availability of hospitals and health centres. Women already do three times more unpaid care work than men. With the virus spreading and 850 million children around the world home from school, the additional burden continues to primarily fall on women.⁶ This leads to increased stress and anxiety levels of women workers globally. For companies, it is therefore essential to execute a renewed gender assessment and to investigate how COVID-19 has impacted the situation of women workers in their supply chain.

⁶ <https://unglobalcompact.org/academy/how-business-can-support-women-in-times-of-crisis>

3. Cease, prevent or mitigate adverse impacts

In addition to the immediate effects of COVID-19, it is likely that there will be a long-term impact on the lives of women workers in global supply chains. A potential consequence of this pandemic is an acceleration in nearshoring in sectors that were heavily affected, such as by additional export controls or by disrupted availability of transport options.⁷ Additionally, COVID-19 could also lead to accelerated automation of supply chains, to minimize human contact in the production process and as a way to reduce costs in times of an economic recession.^{9,10} This leads to job losses, especially in the lower-paid segments, with a large proportion of these workers being women. It is important to remedy the adverse impacts of these longer-term possibilities for women factory workers, but also for subcontracted homeworkers that are often the first to be let go.¹¹

4. Track implementation and results

Companies are still facing uncertain futures, as long as the COVID-19 pandemic is not tackled structurally. With the constant risk of additional lockdowns and potential demand loss, the situation for women workers in global supply chains is likely to continue to be volatile. Therefore, it is important that the results of the actions that are put in place are tracked regularly, not only with suppliers, but with women workers in the supply chain too. This can be done by consulting and collaborating with local women's and workers' organisations. For example, the Netherlands-based NGO Women Win has hosted knowledge exchange sessions with women's organisations and women workers in the Kenyan floriculture sector. In these sessions, workers are able to share their experiences and formulate their needs in these uncertain times.

⁷ European Council, Roadmap to Recovery: Towards a More Resilient, Sustainable and Fair Europe, 2020.

⁸ Michael Corkery and David Gelles, "Robots Welcome to Take Over, as Pandemic Accelerates Automation" in The New York Times, 10 April, 2020.

⁹ Adnan Seric et al., "Managing COVID-19: How the Pandemic Disrupts Global Value Chains", (Industrial Analytics Platform, 2020).

¹⁰ The effects of COVID-19 on trade and global supply chains, ILO brief, June 2020. Accessed at: https://www.ilo.org/global/research/publications/WCMS_746917/lang--en/index.htm

¹¹ <https://www.wiego.org/blog/worlds-most-vulnerable-garment-workers-arent-factories-and-global-brands-need-step-protect>

5. Communicate how impacts are addressed

If companies communicate on actions and their impacts, both to external stakeholders as well as to women workers themselves, then they can raise awareness on adverse impacts and potential solutions. Many of the issues that women workers are currently facing, cannot be solved in isolation. They affect entire sectors and joint action will likely result in more effective and sustainable solutions. Transparency is key in setting up successful partnerships. The National Business Compact Kenya¹² is a great example. This cross-sector partnership was founded in March 2020, with a mandate to accelerate local action and support government efforts in countering the COVID-19 pandemic. Participation in several networks, like Business Fights Poverty, is an important aspect of what they do which ensures that they can share best-practices globally.

6. Enable remediation when appropriate

Desperate times call for desperate measures. The COVID-19 pandemic required an improvised disaster response from companies, which could have resulted in adverse impacts to women workers in their supply chains. Women workers in several industries (e.g. floriculture sector, garment sector) were faced with immediate job loss due to plummeting demand during lockdowns. 60% of women's employment is in the informal economy with few protections against dismissal and limited access to social protection. For a population whose financial status was already stretched thin, this meant they were put at risk of not being able to pay for the bare necessities. Now is the time to take action to cease any adverse impacts and put a process in place to prevent them from happening in the future. For example, companies in the garment sector could enhance social protection schemes for (women) workers, following the ILO's Call to Action¹³ to protect garment workers' income, health and employment.

¹² <https://www.covid19businessresponse.ke/>

¹³ https://www.ilo.org/global/topics/coronavirus/sectoral/WCMS_742343/lang--en/index.htm

When it comes to the gender equality performance of Dutch companies in their supply chains, there is definitely room for improvement. COVID-19 has exacerbated the issues women workers were already facing, yet it is also posing an opportunity to do things better, to build back better. Win-Win Strategies will be launching a platform in early-2021 that will serve to support companies when conducting gender-responsive due diligence. Equileap will also update their report next year, so in the meantime, Dutch companies are presented with an opportunity to make great progress during a crucial time.

