



# How Dutch companies can address gender equality in supply chains

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In 2011 the UN launched the now well-known business and human rights guidelines.

Since then, the EU has steadily expanded its regulatory focus on human rights due diligence, with a massive milestone on 23rd February this year (2022), when the European Commission published a [Corporate Sustainability Due Diligence Directive](#) proposal that provides due diligence guidelines for environmental and human rights issues throughout global value chains. If enforced, the proposed directive will further extend companies' accountability outside of their own operations, including in their value chains inside and outside Europe.

The [OECD Guidelines](#) highlight that the risks faced by women workers differ from men, women are disproportionately vulnerable to adverse impacts, and [Action Aid's publication](#) offers deeper understanding through examples of disproportionate adverse impacts of business activities on women. At the same time, 82 civil society organizations from across Europe<sup>[1]</sup>, in an open letter to European Commissioners, Members of Parliament, and Permanent Representations involved, have shared concerns that the proposed directive is gender-blind and risks leaving women and girls behind. While companies in Europe are preparing for their human rights due diligence process to start, it's more relevant than ever that we address the gender inequalities persistent in society, so that the design of the process can be done with a gender lens.

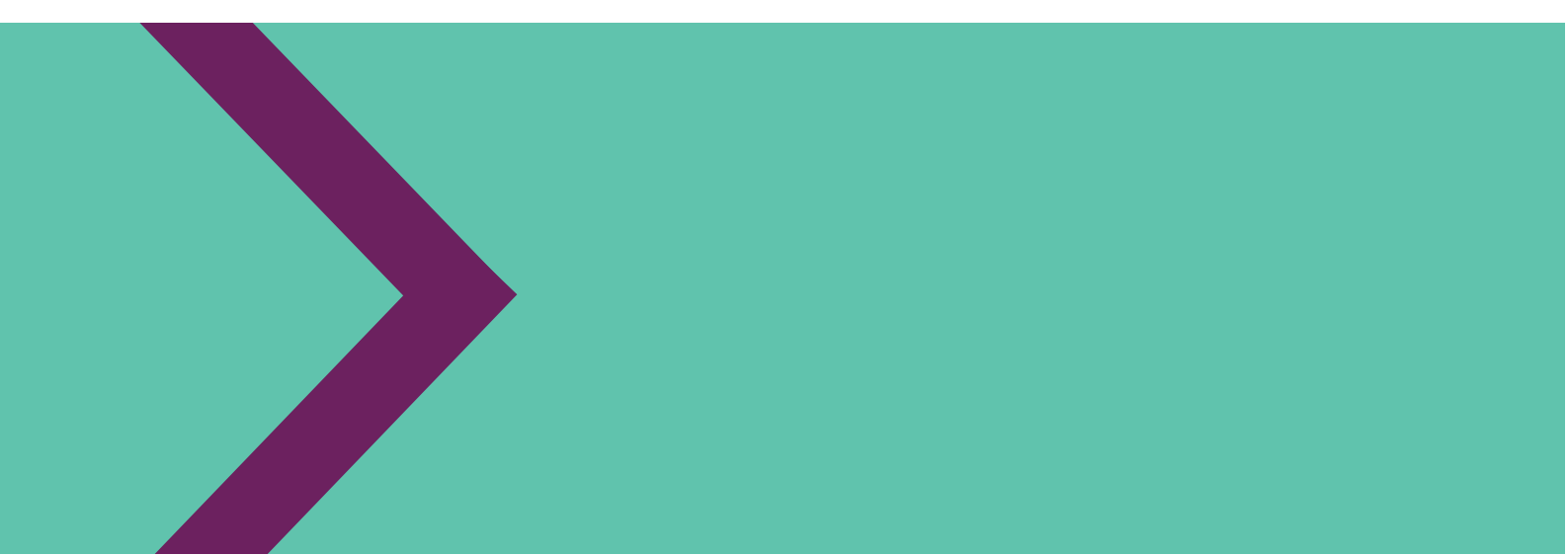
Women Win's brand Win-Win Strategies commissioned Equileap[2] to assess 100 public companies listed in the Netherlands on their gender equality performance. The [findings](#) indicate:

- Two-thirds of the companies offer transparency on social supply chain topics, but very little data is available on how these companies approach gender equality in the supply chain.
- While Dutch companies are becoming more transparent and performing better on gender equality in their workforce, there is not much evidence that this is being extended to their supply chains.

About 70% of trade today involves international value chains[3]. While millions of workers across multiple geographies are part of the process, companies lack consistent information on who they are, what they do, and most crucially, gender-disaggregated data.

Approximately 190 million women work in the global supply chain and tend to be overrepresented in low-paying sectors and jobs, subcontracted jobs, and/or in lower-value chain tiers. These women face specific risks, social and economic barriers which require that companies implement proactive mitigation, remediation, and prevention strategies to address them.

The business case for companies to address gender equality is [well established](#). There are many opportunities for companies to promote gender equality in supply chains – be it through their purchasing practices, shared responsibility approaches – for example, capacity building suppliers and business partners, and participation in Industry Advocacy. It is becoming imperative that companies focus on driving meaningful and sustainable change for women in their supply chain by adopting holistic approaches that tackle inequality at every level. While this might seem complex, companies can already start by adapting existing systems and processes to deliver on gender objectives. The following three practical steps can be a good start:



## 01. Apply a gender lens to supplier standards, codes, and policies:

[Equileap research](#) indicates that just over half (53%) of companies' supplier standards cover non-discrimination, specifically regarding discrimination against women or gender discrimination. And one in ten companies monitor how their suppliers guarantee the health and safety of their female employees.

Companies should review and update their supply chain strategy, supplier codes of conduct, due diligence approach, and sourcing practices to ensure these instruments proactively respond and address gender risks. It should include a commitment from top management to work towards gender equality with clear timely goals. This step can also include signing the UN Women's Empowerment Principles. Moreover, BSR's [Gender Equality in Codes of Conduct Guidance](#) can be a helpful resource for applying a gender lens to the supplier codes of conduct.

## 02. Integrate gender considerations in social compliance

Companies predominantly rely on social audits to monitor human and Labour rights in their supply chains. But these mechanisms have been highly ineffective at identifying gender issues, particularly discrimination, sexual harassment, and gender-based violence. Identifying or addressing potential gender risks can become even more challenging without an accurate gender profile of the workforce and gender disaggregated social compliance data.

[The Equileap research](#) indicates that No company monitors whether suppliers publish gender-segregated pay information (i.e. the gender pay gap).

Given that companies have already made considerable investments and are familiar with social compliance and audit mechanisms, leveraging these systems to inform and deliver on gender goals should be a no-brainer. Two areas to ensure that social compliance efforts are gender-responsive would be :

- Gender Disaggregated data collection: [The WOW alliance publication](#) offers recommendations and highlights opportunities for companies to improve the visibility of women in global value chains.
- Integrate gender considerations in Social audits: Companies are encouraged to review the [guidance](#) published by members of the Textiles Partnership and the International Association of Natural Textiles (IVN), GOTS, and BSR's [Gender Equality in Social Auditing Guidance](#), which offers great insights and ideas on adopting Gender-sensitive social audits.



### 03. Apply a gender lens to supplier standards, codes, and policies:

'Gender' in the context of supply chains within a company ecosystem tend to be siloed and fall within the responsibility of CSR, Sustainability departments, or philanthropic teams. Purchasing and business teams are rarely included, consulted, or accountable for gender risks, even though purchasing practices directly impact worker rights and wellbeing. [Better Buying](#)™ categorizes the impacts of poor purchasing into four areas:

- Failure to pay wages and benefits required by law and buyers' codes of conduct
- Use of excessive overtime, some of which may be forced
- Unauthorized subcontracting to unsafe facilities with poor working conditions
- Increase use of temporary labor making employment more precarious

These can have disproportionate consequences for women, ranging from financial insecurity, impact on sexual and reproductive health, to increased workplace harassment.

Hence it is crucial that companies build gender awareness and capacities of procurement and business teams, to ensure that business practices at minimum do not reinforce gender inequalities, and leverage business strengths to promote gender equality. For example, Mars is working with CARE Impact partners to integrate gender equity into the company's core procurement strategies. (Read the full story [here](#).)

Key take aways for companies:

- Addressing Gender Equality is not a one-off diagnose and fix exercise but is a journey of continuous improvement, and phased integration within the company.
- It is crucial that a gender lens is applied when designing and implementing the human rights due diligence process.
- There is an abundance open-source resources developed by NGOs, the private sector, MSIs that can be found on <https://www.genderduediligence.org/> that offer guidance on how companies can integrate gender at every step of the due diligence process.

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[1] <https://corporatejustice.org/news/ensuring-a-gender-responsive-and-effective-corporate-sustainability-due-diligence-legislation/>

[2] Equileap is the leading organisation providing data and insights on gender equality in the corporate sector.

[3] <https://www.oecd.org/trade/topics/global-value-chains-and-trade/>



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