

## Managing Risks to Women in Supply Chains

This is a set of recommendations for companies to strengthen respect for women's rights while addressing adverse risks to businesses in their supply chains. Empowering women and girls is the best way to achieve positive economic and inclusive social development outcomes. Companies have important roles in addressing the unique risks and challenges women face within complex supply chains.

Due diligence is expected of any responsible business. Businesses should take steps to identify, prevent, mitigate, and remedy human rights abuses of women and girls that businesses cause or contribute to, or are directly linked to through their activities. This stems directly from the [OECD Guidelines for Multinational Enterprises](#) and the [UN Guiding Principles on Business and Human Rights](#) identifying that an enterprise is responsible for using its leverage to prevent or mitigate adverse impacts as well as influence its suppliers. Enterprises can use their leverage and influence in many ways, including through contractual arrangements and participation in industry-wide collaborative efforts with other enterprises with which they share common suppliers.

The recommended actions below are illustrative examples based upon international guidance and principles on responsible business conduct contained in the OECD Guidelines for Multinational Enterprises (the Guidelines) as well as the UN Guiding Principles on Business and Human Rights. These documents include steps like: engaging stakeholders and partners, assessing risk and impacts, developing codes of conduct, communicating and training across the supply chain, monitoring compliance, remediating violations, independent review, and transparently reporting on performance.

The State Department welcomes feedback on this document, which is meant to be iterative, and encourages stakeholders to email [USNCP@state.gov](mailto:USNCP@state.gov).

### Recommended Actions

- 1) **Assess, prevent, and mitigate issues affecting women within supply chains by establishing due diligence systems** and programs that help to ensure abuses are identified, addressed, prevented, mitigated, and remedied. This includes attention to and respect of female workers' rights, including promoting those involving occupational safety and health, preventing employment discrimination, and addressing gender-based violence and harassment in the world of work, including sexual harassment, recognizing that gender-based violence and harassment disproportionately affects women and girls and can occur throughout global supply chains. This also includes identifying barriers women face in accessing decent working conditions, including safe workspaces, fair wages, childcare, and access to finance.

Develop practical actions in implementing the above to respect human rights, across supply chains and expect affiliates, suppliers, customers, and other supply chain actors to do the same. Companies can, for example, require upstream suppliers to execute gender impact assessments in efforts to ensure all projects minimize harm and play a positive role in addressing

gender equality. A company's due diligence process should identify all types of gender-related adverse effects on women workers, job seekers, and other persons in their company's supply chains, that the company may cause, contribute to, or be linked to. Prevention strategies should include training for men on gender-based violence and harassment, as well as providing an understanding the barriers that many women face. Similarly, the company's method to undertake due diligence should be designed to identify such adverse effects. When possible, create incentives across businesses to promote gender equality and integrate gender responsive due diligence into business supply chains.

**2) Create a human rights policy that includes commitment to advance inclusion of women and gender equality.**

In consultation with women workers, their representatives, and other relevant stakeholders, the human rights and gender-sensitivity policies should be developed or improved, published, and funded.

**3) Demonstrate leadership and commitment at the most senior levels, and within company management systems, to show support for human rights, including women's rights.** Use leadership statements and organizational policies and procedures to communicate commitment to gender equality and women's rights both internally and externally to suppliers and the public. Develop capacity internally and across networks to build understanding of how gender inequalities are perpetuated in supply chains and stimulate action to redress the balance.

**4) Ensure that women's voices are recognized and optimize opportunities to advance women's rights across supply chains.** Use inclusive and participatory hiring practices and approaches and raise workers', including women workers', and other relevant stakeholders' awareness about their rights and how to meaningfully engage in important decision-making processes. Encourage equal opportunity with respect to hiring, retention and training throughout company supply chains. Consult with local stakeholders and the community and take steps to encourage the participation of local organizations, including women's organizations, in these consultations.

**5) Create grievance mechanisms and opportunities to address, remedy, and minimize potential backlash against women.**

Just as women may face additional risks as workers and community members impacted by business activities, women may also face increased barriers to securing remedies for the harms they incur. In many regions, women lack cultural support for, and also personal experience in, organizing themselves to seek remedy for harms. It is therefore essential to have appropriate mechanisms and training to help women document harms and seek remedies.

Be aware that women may face sexual harassment and sexual and physical violence, as well as threats and public humiliation, as they seek remedy for harms they have experienced. Include the possibility of these additional harms in company risk management plan and suggest adequate mitigation, monitoring and accountability mechanisms. Companies should consider,

but not be limited to, the following steps to strengthen their sensitivity to issues affecting women and implementation of gender-responsive grievance mechanisms:

- Undertake gender sensitivity training for grievance mechanism staff to identify and correct staff's insufficient awareness or bias on gender-related issues;
- Undertake gender sensitivity training for grievance mechanism staff to learn to identify and address issues that may affect women participating in the complaint process;
- Adopt or amend rules of procedure that enable gender-sensitive advice and consultation with complainants;
- Strengthen culturally-appropriate and accessible outreach and support for female community members, workers, and complainants, including through partnership with women's community groups;
- Commit to addressing gender-linked power imbalances during dispute resolution processes, including through ensuring equal opportunity of women to participate in mediation; and
- Monitor companies' implementation of agreements to ensure that settlement terms are not arbitrarily biased on the basis of sex and that settlement agreements are implemented on an equal basis.

Companies should especially assess the visibility of grievance mechanisms to all individuals, including women and marginalized groups, and strive for independent, gender sensitive investigation of violations. Companies should ensure that all people who register complaints are protected from reprisals.

If possible and where relevant, engage the global National Contact Points for the OECD Guidelines, which provide dispute resolution services when issues arise from alleged non-observance of the Guidelines. More information and contact information on the U.S. National Contact Point can be found [here](#).

- 6) Create a gender action plan and act transparently by publishing it.** Create gender-sensitive and gender responsive global policies and procedures within a gender action plan that includes how to identify and address issues affecting women in company supply chain, and incorporate practical opportunities to rectify gender inequality. Embed this plan in audits, contracts, and annual reporting, using relevant indicators to monitor and measure performance. Where relevant, develop gender-responsive strategies to identify, assess, report, address and monitor gender-related human rights abuses throughout the supply chain, and ensure every project is started with a gender lens in design and monitoring. This plan should be developed in consultation with the women who the plan supports.

## **OECD Due Diligence Guidance**

Building on the Guidelines, in May 2018, the OECD released new [Due Diligence Guidance for Responsible Business Conduct \(“Guidance”\)](#). The Guidance provides useful language to help businesses adopt a “gender lens” to due diligence activities. The Guidance elaborates on the due diligence responsibilities of businesses under the OECD Guidelines. It is intended to be used in all sectors of the economy and by all companies, regardless of size, geographical location, or value chain position. Its main objective is to help companies understand and implement due diligence responsibilities. The Guidance explicitly refers to gender-based risks and impacts, highlighting the need for companies to identify and address these risks and impacts and providing recommendations on how they can do this.

The Guidance recommends that due diligence address specific risks and identify how these risks may impact women differently, disproportionately or exclusively (see “Due diligence is commensurate with risk”, p. 27, Section 2.2(i) and Question 2 of the Annex). To identify specific risks against women, a company should consider impacts likely to impact women as a result of the company’s *sector* (as described in examples in section 1 above), the *region* of work (for example, a region affected by conflict or in which there is a relative power-vacuum), and the *economic, social or cultural milieu* (for example, in a location where girls are at risk of being kept from school to complete household work).