Promoting Human Rights in the Supply Chain

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35.1 Introduction

The Global Compact and UN Norms for Transnational Corporations, among other such initiatives, render the management of labour practices in the supply chain an important and highly relevant case study. By drawing on examples from successful supply chain management practices implemented by corporations today, an effective model can be derived. This model is a road map for communication and interaction with supply chain partners. By following the map, you will have a clear indication of how to model a successful labour standards programme and how to move from model to action.

The model, as illustrated in the flow chart, includes (a) the dissemination of standards by means of contractual obligations through the supply chain, (b) assessment of risk and the subsequent prioritisation of resources, (c) the use of education to promote long term goals and achievements, (d) the use of monitoring mechanisms to assess progress and stimulate continued improvement, supplemented by (e) long-term interactions with local partners or industry initiatives.

35.2 The essence of the model

The first step in developing a supply chain labour standards programme is to define what labour standards, or code of conduct, your company will endorse for their supply chain partners, i.e. the vendors, agents, and factories that help manufacture and deliver your product to you. This code of conduct standard is conventionally linked to sourcing contracts or similar terms of business engagement. This allows the standard to be incorporated directly into purchasing practices as well as other vendor, agent, or supplier requirements.

Once the code standard has been determined and communicated, it is important to educate all interested parties on this new programme, the standards being espoused, and the expectations you have of each party, including corporate senior management, buying and quality staff, in-house compliance teams,
vendors, suppliers, workers, and other relevant stakeholders. A risk assessment exercise can help prioritise interactions in your supply chain, such as education and monitoring. Those regions or products presenting the highest risk to your brand or programme may take priority in the implementation of the labour standards programme.

Finally, central to any supply chain labour standards programme knows first hand the conditions that exist in the supplier facilities. Monitoring the labour practices of your supplier partners allows you to identify if they are meeting their country labour standards, any international standards endorsed by your programme, and where there are opportunities for improvement, if any. This knowledge will allow you to, in turn, determine if specially focused engagements are needed, what long-term interactions should be considered, and the kinds of local partners or stakeholders that may be instrumental in the labour standards programme.

Application of this model ensures the up-front commitment of your supply chain partners to promoting human rights through ensuring good labour practices. It focuses your resources on your highest risk regions or products. When your supply chain partners need support to meet the agreed on standards, this model focuses improvement activities on specific areas of weakness, facilitated through education and training. In addition, this model looks to long-term local solutions by incorporating activities with local stakeholders, which help to ensure more sustainable improvements over time.

### 35.3 Experiences with this model in practice

#### Elaboration of standards

Corporations generally elaborate their commitment to international standards of human dignity and ethical trading through the exposition of a ‘supplier code of conduct,’ or statement of minimum expected practices regarding labour conditions. At a minimum, such codes request supply chain partners to uphold the national laws of their respective countries. Frequently, they go further and require supplier partners to also uphold international standards. These can be defined as the labour standards contained within International Labour Organisation (ILO) conventions, as well as internationally recognised documents such as the Universal Declaration of Human Rights. Corporations that have constructed such standards for their supply chains include global retailers such as Wal-mart, the Walt Disney Company, Mattel, Nike, Debenhams, and Marks & Spencer. These companies make their supplier codes of conduct available publicly on their websites.

Some companies may prefer to adopt an existing supplier code, rather than draft their own. With literally hundreds of supplier codes in existence today, it may be seen as less burdensome to the suppliers if a pre-existing standard is