



## Fair Action's input to UN Working Group on Business & Human Rights UNGPs10+ project

*Stockholm, November, 2020*

*We make a difference!*

Fair Action is a non-profit organization pushing Swedish companies to take responsibility for their impact on people and the environment. We examine how consumer goods and services are produced and pressure companies to improve working conditions and pay living wages. Our goal is a sustainable world where human rights are respected.

We use a number of methods to implement the goals of our organization, where our reports on companies constitute the foundation. We use the research to raise awareness among company representatives, consumers and authorities. The UN Guiding Principles for Business and Human Rights are an important part of our reports' recommendations to companies. Read our latest reports in English here: <https://fairaction.se/english/>

### Fair Action's response to the "Have your say!" survey

*(1) Where has progress taken place in UNGPs implementation over the course of the last decade? What are the promising developments and practices (by governments, businesses, international organizations, civil society organizations, etc.) that can be built on?*

- Enforceable Brand Agreements (EBAs) within the garment sector is a step in the right direction. The Accord on fire and building safety in Bangladesh was one important example that has resolved nearly 700 safety complaints and remediated 300 factories. <https://bangladeshaccord.org/> The Freedom of Association Protocol in the garment sector in Indonesia is another example of an EBA which promotes labour rights. <https://corporateaccountabilityresearch.net/njm-report-xvix-protocol>
- Today, many fashion brands are more transparent with their supply-chain. International campaigns and initiatives such as the Open Data Standard for the Apparel Sector, The Transparency Pledge and Fashion Checker have improved the transparency and disclosure of supplier lists. <https://odsas.org/> <https://transparencypledge.org/> <https://fashionchecker.org/>
- Public campaigns and discussions regarding mandatory human rights due diligence (mHRDD) have gained a lot of attention in many countries in Europe. The EU and several member states are now planning to introduce a mandatory due diligence legislation, or have already done so. Many companies and investors are also



supporting the demand for this in order to create a level playing field for responsible business. <https://investorsforhumanrights.org/news/investor-case-for-mhrdd>

(2) *Where do gaps and challenges remain? What has not worked to date?*

- Poor wages and harsh working conditions, within sectors such as garments, footwear, leather and tourism:

*“Fair Action has interviewed garment workers employed at suppliers of Swedish companies in Bangladesh. Their average monthly income is € 73, which is so low that it violates both the companies’ own policies and international conventions on human rights. € 73 is less than half of what they would need to afford proper food, health care and decent housing for themselves and their families. The consequences of the low wages are an insecure and hard life, where illness and anxiety are common.”*

Read more in Fair Actions report Left Behind: [https://fairaction.se/wp-content/uploads/2018/10/Fair-Action\\_Left-behind\\_20181003.pdf](https://fairaction.se/wp-content/uploads/2018/10/Fair-Action_Left-behind_20181003.pdf)

This reflects the situation for garment workers before the COVID-19 pandemic hit the industry very hard. Even before the pandemic, many workers had no financial marginals and now the situation is desperate. Read more about this on Clean Clothes Campaign’s live-blog: <https://cleanclothes.org/news/2020/live-blog-on-how-the-coronavirus-influences-workers-in-supply-chains>

- Violations of Freedom of Association and Collective Bargaining, within sectors such as garment, footwear, leather and tourism:

*“Despite efforts to strengthen social dialogue in Bangladesh, real effects for workers remain to be seen. Union representatives interviewed in this study state that the initiatives have failed to reach places and people who need them the most. Workers still lack negotiation power, few are unionised and collective bargaining agreements are close to non-existent. The low level of unionisation is causing poor organisational strength as well as poor finance among the trade unions.(...)Furthermore, while companies in the study state that many suppliers today have increased knowledge on workers’ rights, they also acknowledge that there is broad scepticism among suppliers; few have independent trade unions or collective bargaining agreements in place. “*

Read more in the report Power of the Voice, by Swedwatch and Fair Action: [https://fairaction.se/wp-content/uploads/2018/05/90\\_Bangladesh\\_180531.pdf](https://fairaction.se/wp-content/uploads/2018/05/90_Bangladesh_180531.pdf)

- Discrimination and harassments against women workers and migrant workers:

*“The 29 interviewed migrants, who work at seven different hotels and six suppliers to the hotels, report receiving below statutory minimum wages, working overtime without*



*compensation as well as facing discrimination. Half of the 18 hotel workers state that their salary is lower than that of the minimum wage. Moreover, only three of them receive vacation or leave according to the Thai labour law. The workers employed at the hotels' suppliers face more severe labour rights violations. Nine out of the eleven interviewees do not earn the minimum wage. Laundry staff reports working excessively long working hours, of up to 17 to 19 hours per day during peak season, with only two days off per month. Additionally, workers express that they have never had a single day of vacation. Such practices violate both the Thai labour law and international conventions, as well as the policies of the Swedish tour operators.”*

Read more in the report No holidays for the Burmese, by Fair Action and Schyst resande: [https://fairaction.se/wp-content/uploads/2015/12/No-holidays-for-the-burmese\\_9-december-2015.pdf](https://fairaction.se/wp-content/uploads/2015/12/No-holidays-for-the-burmese_9-december-2015.pdf)

The report is from 2015, but there are no signs of improvements by the travel agencies so far.

- Rights-holders such as workers, trade unions, civil society organisations and human rights defenders need to be consulted in businesses HRDD-processes and risk analysis.

*“Human rights and environmental defenders play a key role in holding companies and states accountable for business-related human rights violations and environmental degradation. However, defenders are increasingly defamed, harassed and killed for protecting labour rights or opposing commercial projects such as mines, dams or plantations that are related to powerful economic and political interests.”*

Read more about this issue in the report Defenders at Risk, by Swedwatch and Fair Action: [https://swedwatch.org/wp-content/uploads/2019/12/MR-fo%CC%88rsvarare\\_191209\\_uppsag.pdf](https://swedwatch.org/wp-content/uploads/2019/12/MR-fo%CC%88rsvarare_191209_uppsag.pdf)

- Companies need to use greater transparency as a tool to let rights-holders and affected stakeholders get more information about businesses value chain and corporate responsibilities. Only three out of 46 Swedish companies report dialogue with negatively affected rights holders, according to a study by Fair Action and Amnesty from April 2020. Companies need to communicate with rights-holders and affected stakeholders on a regular basis. Very often, the information does not reach important affected parties such as workers, trade unions and workers representatives
- Companies need to do their HRDD and risk analysis specifically according to their own value chain and not only related to general challenges within their sector.



*(3) What are key obstacles (both visible and hidden), drivers, and priorities that need to be addressed to achieve fuller realization of the UNGPs?*

- International institutions and governments should demand more of businesses concerning HRDD. Mandatory HRDD is needed urgently, covering companies in all sectors and of all sizes. The due diligence obligation should build on the process outlined in the UNGPs, Legislation on HRDD should include a range of sanctions such as criminal responsibility and administrative fines against companies that violates human rights within their value chain. Regulation on HRDD for companies should also provide for civil liability, in order to enable access to justice for victims of human rights abuses.

*(4) What systemic or structural challenges need to be tackled to realize sustainable development based on respect for human rights?*

- Business and governments need to see the long-term benefits of working to promote sustainability and human rights. Financial costs of improved sustainability in the supply chain should be viewed as important investments and not only negative costs.

*(5) In concrete terms, what will be needed in order to achieve meaningful progress with regard to those obstacles and priority areas? What are actionable and measurable targets for key actors in terms of meeting the UNGPs' expectations over the coming years?*

- Concrete and measurable goals and indicators are needed for governments and businesses regarding how to follow up on the UNGPs.
- Mandatory Human Rights Due Diligence legislation is needed on national, regional and international level, in line with the UNGPs.
- Enforceable Brands Agreement (EBAs) is a complementary tool, especially in sectors and countries where the rule of law is weak and business need to take a bigger responsibility.

*Contact and information*

Further questions about our input? Please contact us at: [info@fairaction.se](mailto:info@fairaction.se)