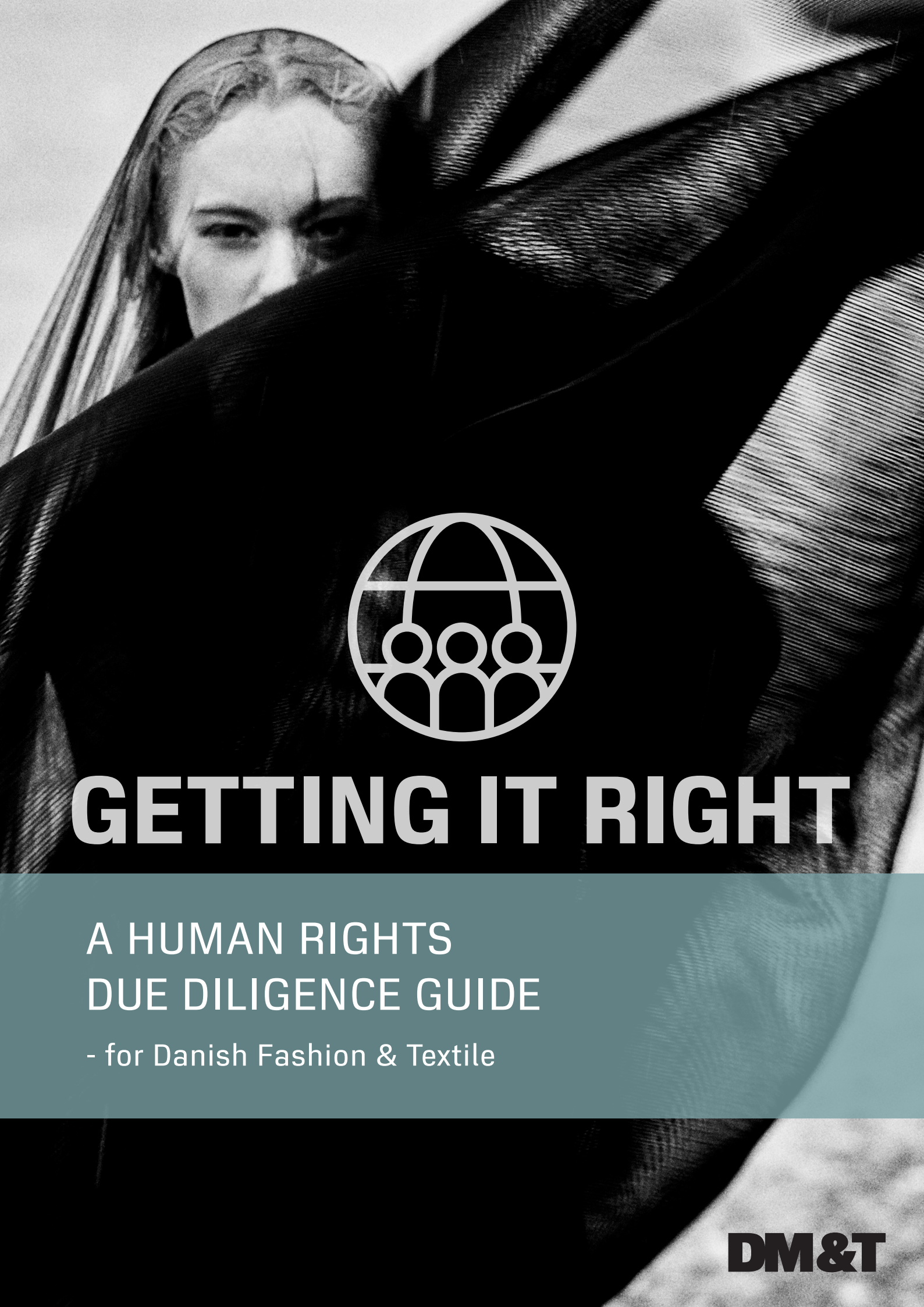

GETTING IT RIGHT

A HUMAN RIGHTS DUE DILIGENCE GUIDE

- for Danish Fashion & Textile

DM&T

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INTRODUCTION

All businesses - across all sectors, big or small, domestic or global - are expected to respect human rights. That means putting in place processes to identify, assess, address and communicate on human rights impacts of business activities and relationships. This guide is aimed at supporting Dansk Fashion and Textile *(in Danish: Dansk Mode & Textil or DM&T)* members in their human rights due diligence efforts across their full value chain.

The Danish fashion and textile industry is an integral part of the Danish economy, providing products to consumers in Denmark and worldwide. Just like any other global industry, there are a number of human rights risks associated with the fashion and textile value chain[1] - from raw material production to sales and marketing. While some fashion and textile industry-related supply chain issues and raw material-related human rights risks have received attention from both civil society and the industry itself in recent years (see e.g. OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector), the full value chain has received less attention.

This guide provides an overview of human rights risks throughout the value chain to support companies in identifying challenges and systemic issues, as well as how these issues can be addressed through individual and collective actions.

Corporate responsibility to respect human rights

Human rights are a set of rights all human beings are entitled to. In a business context, different rights and rights holders can be particularly at risk, for example workers and their rights to just and favourable conditions at work, their rights to not be subjected to forced or bonded labour, not to be discriminated against and so forth. Businesses may also impact the rights of communities, for example through environmental impacts that affect the health and livelihoods of local communities, as well as consumers, for example through discriminatory marketing practices.[2]

The UN Guiding Principles on Business and Human Rights (UNGPs) is the internationally recognized standard concerning the corporate responsibility to respect human rights. The UNGPs set out that, while states have a responsibility to protect human rights in relation to negative impacts caused by business activities, companies have an independent *responsibility to respect* human rights. This responsibility concerns all businesses and all internationally recognized human rights. This means that businesses must have an ongoing process in place to identify, avoid, address, mitigate and remediate the human rights impacts with which they are involved, so called *human rights due diligence (HRDD)* - see model on next page. Stakeholder identification and engagement are central to the due diligence process, as well as access to remedy for complaints or concerns related to the companies' responsibility to respect human rights to be raised and addressed.

[1] *The term value chain refers to the process in which businesses receive raw materials, add value to them through production, manufacturing, and other processes to create a finished product, and transport, store and later then sell the finished product to consumers.*

[2] *For an overview of human rights and the impact business may have please consult this resource: www.ungpreporting.org/wp-content/uploads/2015/07/UNGPRF_businesshumanrightsimpacts.pdf*

Business activities change over time, and as companies leave or enter markets, and change their activities, so will the actual and potential impacts on human rights.

The concept of respecting human rights through human rights due diligence provides companies with a system that is adaptable and can be used for all kinds of companies and all kinds of contexts.

Why is human rights due diligence important?

- It helps companies meet international human rights standards when national legal requirements are not living up to those standards.
- Human rights due diligence is key for companies to live up to their internal and external commitments and stated values, on e.g. sustainability.
- By respecting human rights in all business activities, companies are likely making their most significant contribution to the Sustainable Development Goals (SDGs). When human rights are not respected, positive contributions to the SDGs are inevitably undermined.
- It is the principal expectation on company behaviour in relation to the requirement on companies to respect human rights.
- UNGPs are increasingly featured in other frameworks by international governmental organisations, industry associations and financial institutions, among others, and it is therefore necessary in order to be 'fit for future'.
- There are several significant reputational, financial and legal risks related to not respecting human rights.
- By looking at the risk to people and human rights first, companies increase the likelihood to detect potential human rights issues at an early stage before they become severe actual human rights impacts that may also imply significant other risks.

There is no one size fits all or silver bullet when it comes to human rights due diligence. There are however a couple of recommendations on how to get started that can support organisational anchorage and prioritization of action:

- ***Get management support:***
  Businesses should ensure management level oversight over the due diligence process and allocate adequate resources, for example by assigning dedicated staff. See the *"Why is human rights due diligence important"?* box on the previous page for arguments to support greater management support.

- ***Know your business:***
  Map who your suppliers are and understand where they are located. Assess who your other business partners are, including who transports and sells your products. Map out internally who within your organisation is in contact with these different actors - these internal functions will be essential in your efforts to institutionalise human rights due diligence efforts.

- ***Build on existing frameworks:***
  Human rights due diligence should be embedded into and can benefit from existing CSR and sustainability efforts by adjusting these efforts to align with the UNGPs. Human rights cut across topics that most companies are already familiar with, such as human resources, health and safety, responsible procurement. For example, existing risk assessments such as supplier audits can be adapted to include human rights criteria and standards, and supply chain heat maps can be adapted to better capture the *risk to people* (rather than risk to the business).

- ***Prioritise impacts based on severity to human rights:***
  While businesses have to identify and address all negative human rights impacts of their activities and business relationships, businesses should identify their most "salient" human rights issues (see page 7) and prioritise addressing those issues first (see the Danish OECD National Contact Point (NCP) 'Guidance to SMEs in the fashion and textile industry' (in Danish) for a general risk overview.

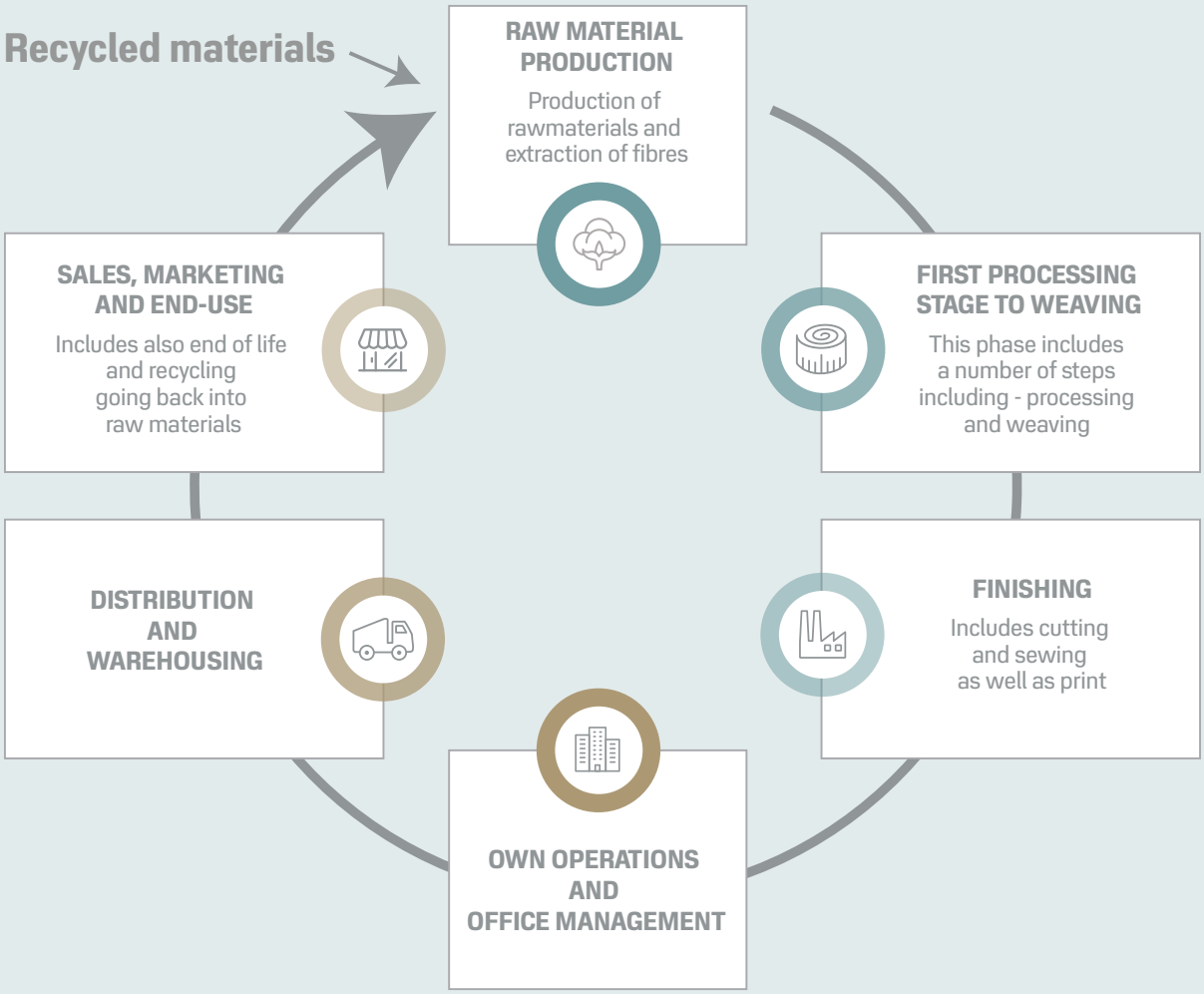
- ***Human rights due diligence also applies to all activities, including market entry and exit:***
  Businesses should keep in mind that even if they opt-out of high-risk materials, suppliers or countries, they must still assess the risks of such an exit and of the alternatives.

DM&T members have through their sustainability and CSR efforts already been working with human rights due diligence, though perhaps not always explicitly. The DM&T Code of Conduct includes specific reference to the UN Guiding Principles on business and human rights and includes expectations on human rights due diligence, and this guide is aligned with that expectation.

What does this guide offer?

This guide puts human rights due diligence into the specific context of the Danish fashion and textile industry. It focuses on the types of impacts that DM&T members are most likely to encounter in their activities, throughout a brand's or manufacturer's value chain and the lifecycle of garments and textiles.

As different stages of the garment and textile value chain present distinct human rights risks, this guidance highlights salient human rights issues and offers examples of mitigating measures for each of the following stages of the value chain:



Use this guide to ...

- Reflect on the value chain model and the human rights risks relevant for your company.
- Compare your human rights risks with the human rights issues listed in relation to each step of the value chain and see whether other risks apply (see also NCP 'Guidance to SMEs in the fashion and textile industry' for risk overview).
- Find tips on how to get started or proceed with your efforts in the *"What can brands do?"* section and the *"Due diligence tips"* box.
- Get insights and inspiration from the case example on what others have done to address human rights issues across the value chain.
- Identify relevant internal functions to engage in your human rights due diligence efforts - find tips on who to engage in relation to each value-chain step.
- Identify further resources, tools and initiatives that can support your work - the hyperlinked resources throughout the guidance provide further details about specific human rights issues and mitigating measures.
  See also Annex I for further guidance and initiatives.

This guidance approaches human rights due diligence from the perspective of a fashion or textile brand, but its content will nevertheless be of value to other actors in the fashion and textile industry such as manufacturers and retailers.

The select human rights issues listed throughout the guidance are identified through desktop research, internal and external interviews, and a workshop with DM&T members. They do not reflect what will necessarily be the most salient human rights issues for individual DM&T members. Rather, this guidance highlights both some of the most severe issues as well as other important issues that might currently be overlooked.

It is important to note that each company will still have to make its own assessment of salient human rights issues, and this overview should be seen as a support to internal due diligence efforts.

Salient human rights issues

Salient human rights issues are the most severe, potential, negative, impacts on human rights.
The focus here is on risk to people, rather than risk to the company.

- Most severe: considering scale, scope and irremediability of the issue.
- Potential: what has happened and what could happen (consider context).
- Negative: Considering the negative and not positive impacts.
- Impacts on human rights: the focus must always be on the impacts on the rights holders.

SALIENT HUMAN RIGHTS ISSUES ALONG THE FASHION AND TEXTILE VALUE CHAIN

RAW MATERIAL PRODUCTION

The production of a garment or other textile products starts with the production of raw material. For cotton, this involves the processes of farming (growing and harvesting) and ginning (where cotton fibres are separated from cotton seeds); for viscose, this involves tree plantation and wood production in order to produce wood pulp, which is then chemically dissolved into a solution; for polyester, this involves extracting and refining crude oil to generate PET (polyethylene terephthalate). The different raw materials are then spun into fibres.

This section focuses specifically on cotton, polyester and viscose as they are some of the most commonly used fibres for clothes and other textile products. Recycled materials and materials derived from animals and other living creatures will also be addressed.

Internal functions that should be involved in human rights due diligence efforts at this stage include production, sourcing and, to the extent of choosing materials, design.

What are the human rights risks?

Given the presence of hazardous substances (e.g. cotton dust, chemicals in dissolving wood pulp or making polyester) and the use of heavy machinery in the production process, workers are subject to risks to their health, safety and wellbeing especially in the absence of adequate standards and protection at the national level. When hazardous chemicals are used in the production process, there is always a right to health risk for nearby communities if e.g. the wastewater treatment and other pollution reducing efforts are not well implemented.

RAW MATERIAL	HUMAN RIGHTS ISSUE
Cotton	• Forced labour and/or child labour has been documented as a problem in recent years across various countries, including some of the world's top cotton producing countries, such as China, India, Uzbekistan (with recent improvements), Pakistan, Mali, Turkmenistan and Turkey. • Cotton farming is generally reported to involve poor working conditions.
Viscose	• The production of wood pulp, which is necessary to produce viscose, has been linked to deforestation, including on traditional lands of indigenous peoples. The clearing of forests of significance to indigenous populations and local communities has in particular been reported in Brazil, Canada and Indonesia. • Where hazardous chemicals are used in the process of clearing natural forests for wood production, it risks affecting the health of nearby communities and their access to e.g. food and water.
Polyester	• The production of PET (polyethylene terephthalate), necessary to make polyester, may pollute and contribute to climate change (see links between climate change and human rights). • A recent report has shown that much of the current increase in demand for oil comes from plastics that are used to produce polyester. As such, polyester production has a direct link to the fossil fuel industry, which is an industry with many known human rights issues of its own.[3]
Recycled materials	• Most of the workforce in the recycling industry worldwide consists of informal waste pickers who often work in unsafe conditions. As an example, the sorting of recyclable Danish textiles is mostly done manually overseas where labour costs are lower and where sorters work in poor conditions. • Most of recycled polyester comes from recycled plastic bottles, which have allegedly in some instances even been produced for the sole purpose of being recycled. As such, recycled polyester production has a direct link to the plastic bottle 'industry', which has its own human rights issues.
Materials derived from animals and other living creatures	• Materials obtained from animals and other living creatures include skin, fur, wool, silk etc. In the production of these materials there are reports of poor working conditions at farms, disease risks and occupational health and safety risks. • In wool production there are difficulties in tracing the origin of the wool since it comes from a significant number of farms before later being traded in bulk.[4]

[3]For more information on the human rights issues of the oil and gas industry see this report: https://www.ihrb.org/pdf/eu-sector-guidance/EC-Guides/O&G/EC-Guide_O&G.pdf

[4]According to interview conducted as part of this project.

What can brands do?

For any brand, and particularly for small- and medium-sized enterprises (SMEs), it will be difficult to achieve full visibility all the way to the raw material stage. The many tiers of the supply chain will also mean that brands and manufacturers have limited leverage vis-à-vis raw material suppliers. While companies will struggle to directly and independently address issues at this stage of the value chain (unlike in the finishing stage where brands can directly engage with their tier-1 suppliers), they should work towards increasing their visibility and leverage, and thereby increase their ability to address identified issues.

Raw material certification schemes can be a helpful tool, but brands should not assume that certified materials are necessarily free from human rights risks, as human rights might not be comprehensively considered in their assessment standards. See Annex II for an overview of the human rights coverage of various certification and audit schemes.

Measures include the following.

THEME	MEASURE
Leverage and visibility	• Shorten the length of the supply chain and range of suppliers to increase both visibility and leverage - focus particularly on removing 'middlemen' (e.g. traders) that add limited value but make the supply chain more opaque. • Recycled materials - analyse the relevant recycling process (polyester, cotton etc.) and set expectations for how the recycled materials are initially collected and sorted. • See the first-tier supplier as your entry point, and 'cascade' transparency requirements (i.e. require your supplier to make the same request of transparency to their suppliers) - consider starting with key suppliers where you already have higher leverage. • To increase the usefulness of visibility data, new and emerging technology might be of help - review e.g. your supplier data systems and integrate human rights relevant data and sorting options (e.g. geography, worker breakdowns).
Issues at the production source	• Require suppliers to source raw materials that have been certified by certification schemes that explicitly cover human rights issues for workers and communities (see Annex II)—identify what is not covered and focus there. • If the exact raw material supplier cannot be located, one can still try to determine the likely source country by looking at trade flows - e.g. most of the cotton exported from Turkmenistan is destined for Turkey.

Due diligence tips:

- Visibility itself is not a human rights goal - instead, efforts to increase visibility should have clear objectives as to how increased visibility can be used to ensure respect for human rights.
- Review your raw material certification schemes and assess how they address human rights risks related to raw materials (see an overview in Annex 2).
- Work together with industry peers to push certification and audit schemes to improve their human rights standards - ensuring that they become an ever more useful tool.
- Map your greatest exposure to risks in relation to your most used raw materials and likely origin of them - and focus your efforts there.
- Important reminder: if you change raw material or sourcing country, for example after public reporting on issues concerning the specific raw material or country, remember that you might be exposed to new risks, which will need to be addressed.

GETTING IT RIGHT

CASE

JBS worked with Forest Stewardship Council (FSC) to certify the entire supply chain of its bamboo underwear from bamboo plantation, viscose extraction, spinning, to knitting and finished production. FSC certification includes standards on workers' rights and indigenous people's rights (FSC website) (news), with workers' rights requirements also applicable to all entities in the chain of custody.

By being able to follow the certified raw material from the wood production until finished product, it allows a stronger assurance that the raw material product was not produced with negative human rights impacts.

This case is an example of how brands can work with certification schemes to in order to increase their ability to assess and address human rights-related issues throughout the supply chain, all the way to the production of raw materials.

Source: JBS website, FSC website

FIRST PROCESSING STAGE TO WEAVING

This phase includes from when raw material fibres are spun into thread and until the fibres are turned into fabric. Relevant processes include spinning fibres into yarn, weaving and knitting yarn into fabric, and other further processing, such as dyeing.

These various stages in the supply chain have been combined in this guidance as they have similarities - there is a general lack of visibility for brands regarding the working environment of companies active in this phase; many of the activities and operations are highly automated; production largely takes place in emerging economies; and while many workers are required to be highly skilled to run the operations, highly repetitive tasks that are still not automated tend to be performed by low-skilled workers.

Internal functions within a brand that should be involved in human rights due diligence efforts at this stage include those within the company in charge of production and sourcing, as well as quality control functions, who may also maintain supplier relationships.

What are the human rights risks?

COTTON	POLYESTER & VISCOSE	MATERIALS DERIVED FROM ANIMALS AND OTHER LIVING CREATURES
• Forced labour (e.g. in terms of debt bondage) and child labour remains a real risk in the processing of cotton in countries where working conditions for low-skilled workers are often precarious, such as in China and India. • Working conditions more broadly are often poor, with excessive working hours, non-living wages and a lack of freedom of association (example from South India).	• The production requires use of hazardous chemicals which therefore come with occupational hazards. • Poor wastewater treatment related to the use of chemicals can lead to impacts on nearby communities. • The effects of toxic pollution from viscose production has been reported in China, Indonesia and India, three of the biggest viscose fibre producing countries.	• Hazardous chemicals are used in the tanning process, which has implications for workers and potentially for nearby communities. Harms have been reported on in India, Pakistan, Bangladesh.
In general • Dyeing of textiles comes with occupational health and safety risks, e.g. risk of respiratory or skin issues for the workers, and pollution risks for nearby communities. • In countries where international labour rights are at risk generally, textile supply chain workers are also at risk, unless the opposite is confirmed - this includes risks of excessive working hours, non-living wages and a lack of freedom of association (see here). • Due to this stage's increased automation, there is also the risk of layoffs and livelihood loss.		

What can brands do?

This part of the value chain shares many of the issues and potential measures identified for the raw material stage. However, this part of the value chain can be expected to be part of the formal economy and includes fewer small actors. The companies will therefore be possible to identify and, as such easier to engage with, in principle.

OBS! Measures to increase leverage and visibility mentioned in the raw material section are also applicable for this stage.

THEME	MEASURE
Leverage and visibility	• Develop long-term relationships and trust with tier 1 suppliers, setting shared expectations on sub-suppliers (use this guide by Danish Ethical Trading Initiative) - prioritise selected tier 1 suppliers to increase leverage. • Explain why tier 1 suppliers must conduct HRDD on their own suppliers and 'cascade' the requirement, e.g. add clause in tier 1 supplier contracts which includes a commitment from the supplier to require the same from their suppliers - refer to pending HRDD legislation to explain the necessity of this. • Nominate tier 2 suppliers to a greater extent and see it not only as a product quality decision—this will give you visibility into tier 2 and will also facilitate cascading HRDD requirements further in your supply chain.
Capacity-building	• Dialogue, educate, and set targets with (key) tier 1 suppliers on how to engage with their suppliers - e.g. guidance on what questions to ask and how to approach uncooperative suppliers. • Facilitate peer-learning among multiple suppliers.
Identifying issues at the sub-supplier	• Conduct site visits at nominated tier 2 suppliers' factories and include clear set of human rights related issues to inspect (e.g. talk to workers, identify health and safety issues, visit surroundings of factory to identify local communities). • Where audit schemes are used, ensure that you receive the data you need from a human rights standpoint - map information received with the issues listed above. • Take collective action together with industry peers to ensure audit schemes are better at identifying human rights issues.
Using existing due diligence systems	• Make use of existing and future environmental impact analyses and reports and add the perspective of health and safety impacts for workers - e.g. wherever hazardous chemicals are used, there is a risk to workers. • By using suppliers that are already verified through existing collective action platforms, you can gain greater assurances of higher human rights standards - this may include using suppliers that are verified under the Higg Facility Social & Labour Module.

Due diligence tips:

- If you cannot get complete visibility, general information about country and/or region can support your risk analysis. A name of a specific mill might tell you less than actually knowing its approximate location.
- Set clear human rights-related goals in your supply chain transparency efforts, to ensure that you collect the relevant data - e.g. country of operations and worker breakdown (number of workers, types of contracts etc.).
- Develop guidance or training materials (e.g. together with other DM&T members) for suppliers, concerning the need to cascade HRDD requirements further down the supply chain.

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CASE

Nominated fabric suppliers

Several brands, including DM&T members, are working with nominated fabric suppliers. This is considered a quality assurance measure, since brands want to know that the fabric used for their garments is of the quality that they need rather than rely on a manufacturer's own suppliers. However, by nominating fabric suppliers the brand gets a greater control not only of the quality of the fabric, but also general transparency of tier 2 in the supply chain. By actually having engaged directly with the tier 2 supplier, there is also a chance to do site visits which can then be used to consider potential human rights risks.

This case illustrates how by nominating tier 2 suppliers, brands can gain greater visibility into their supply chain and open up the opportunity for direct engagement beyond suppliers at tier 1, which can also facilitate the socialising of human rights standards.

FINISHING (CUTTING AND SEWING)

The fabric is finally processed into finished garments and other textiles, through processes such as cutting, sewing, embroidery and printing.

While trims have their own supply chain, and related human rights issues, they enter the scene at this stage from the perspective of the brands, and will thus be considered here.

Internal functions within a brand that should be involved in human rights due diligence efforts at this stage include production and sourcing, as well as design and sales and marketing, whose practices (incl. last minute product changes) might lead to undue pressure on suppliers which exacerbates human rights risks.

What are the human rights risks?

This stage tends to be more labour intensive than the previous phase, thus requiring particular attention to the rights of workers, who are often low-skilled. Production often takes place in countries where labour costs are low.

Countries such as China, India, Vietnam and Bangladesh, where a lot of production takes place and where labour rights issues are well-reported, are naturally regions of concern from a human rights perspective.

However, companies should not assume that production in Europe is free from human rights risks, and the examples are many: homeworkers in Italy; migrant workers in Spain and the UK; long work hours and work weeks in Portugal; non-living wages in East, Southern and Central Europe (see e.g. Clean Clothes Campaign report); issues related to e.g. Syrian refugee workers in Turkey.

Specific human rights risks within this phase include:

THEME	MEASURE
Decent work	• Working condition related issues in this part of the supply chain are well known—e.g. long hours, excessive overtime, non-living wages (see BHHRC, 2021). • In many manufacturing countries such as Myanmar, Cambodia, Bangladesh and India, there is a lack of freedom of association and collective bargaining at many factories, leading to significant power imbalances and thereby exposing workers to greater risks of poor working conditions. • Working conditions for sub-contracted workers and homeworkers (higher risk at some stages, e.g. embroidery and beading), and the involvement of employment agencies in their hiring can easily be overlooked—while the human rights risks may well be the greatest. • Workers on temporary contracts and migrant workers in vulnerable situations who are therefore at greater risk (in e.g. Turkey and Europe more broadly).
Occupational health and safety	• Limited breaks and repetitive work imply significant occupational health and safety risks. • Poor building safety leading to building collapses and loss of lives (as was the case with the Rana Plaza disaster).
Gender-related issues	• High percentage of women workers, together with other vulnerabilities such as home-based work and temporary contracts. • Gender-related issues, including sexual abuse or harassment of women workers, and discrimination (see research on Eastern & Southern Europe).
Trims	• Opaque supply chains related to trims (zippers, buttons etc) means that a good understanding of that supply chain's human rights issues is lacking.

What can brands do?

The examples of measures listed below are not primarily meant to address specific human rights issues. Instead, they should primarily be seen as tools that can support in addressing a large variety of human rights issues. The efforts taken by any given company should always be tailored to the specific context in question.

TOPIC	MEASURE
Internal practices (incl. purchasing practices)	• Review your purchasing practices, and identify practices that may lead to impacts - e.g. short lead times and low prices may directly lead to issues such as excessive overtime, no rest days, and the likelihood of subcontracting (which may relate to sub-contracting of workers and non-living wages). • Avoid last-minute changes to orders or payment terms, and address internal factors that may lead to such changes (incl. sales-driven processes that require swift production changes) - for further guidance, see the reports of Human Rights Watch, Oxfam and Ethical Trading Initiative on how to improve purchasing practices. • Request cost breakdown and information about workers from suppliers to be able to calculate whether sufficient wages (i.e. living wages) are paid. • Review your sales and marketing practices, to insure they do not put unnecessary pressure on suppliers - conduct basic capacity-building with the respective internal functions in order to sensitise them to the topic. • Identify suppliers who are already being assessed according to international human rights standards, and that will therefore be easier to engage with on human rights-related topics - consider e.g. if an identified supplier is already being assessed according to the Higg Facility Social & Labour Module. • Where possible, allow your suppliers to share your audits with other customers in order to lower the assessment burden and to promote allocation of resources to mitigation measures, rather than to repeat assessments.
Direct supplier engagement	• Develop, use and follow-up on code of conduct for suppliers (using the DM&T template) requiring, among others, the payment of living wages and decent working conditions - follow-up can take many forms, including asking simple questions during contract renewal or having informal discussions with staff during site visits (see e.g. "Leverandørdialog: en vej til Verdensmål" (in Danish)). • Reconsider use and utility of supplier self-assessments, and consider reframing it to self-reflection or capacity-building since rarely will a supplier "disqualify itself" from a contract - frame it as a 'fit for future' exercise, since human rights standards will increasingly be required by many customers, brands and end-consumers. • Include questions to suppliers that concern your own practices, and how those practices might impact the supplier's ability to respect human rights - this can e.g. include questions around purchasing practices and capacity-building. • Include clear contractual requirements with suppliers that sub-contracting must be approved and that due diligence must be conducted on the sub-contractor. • Discuss the trims supply chains with your supplier and assess whether these have also been screened for potential human rights impacts, or assess how that can be done.

TOPIC	MEASURE
Collective action	• Seek out industry collaboration to develop tools and share good practices in achieving positive impacts through supplier engagement over the long term. • Develop human rights capacity-building materials for suppliers together with industry peers facing similar issues. • Reduce pressure from 3rd parties - engage together with industry peers with e.g. Copenhagen Fashion Week on their requirements and timelines, as well as other external pressure points. • Join existing collective action platforms in order to benefit from the positive impacts they have achieved and to be a part of influencing those initiatives to even further improve human rights efforts, see e.g. ACT and the Bangladesh Accord.
Grievance mechanisms	• Assess coverage of grievance mechanisms related to certification and audit schemes, and see where other efforts are needed. • Establish grievance mechanisms at the brand level and require suppliers to have grievance mechanisms in place, allowing workers in the supply chain to report human rights concerns and complaints - treat it as an information channel and as a useful tool for your HRDD work. • Ensure that grievance mechanisms are equipped to address sexual harassment, e.g. personnel receive adequate training - for more measures on sexual harassment, see HRW report on Combating Sexual Harassment in the Garment Industry. • Use suppliers that are already members or participants in collective action platforms that also make grievance mechanisms available for workers, to gain greater trust in that reported issues are being dealt with appropriatel - see e.g. ACT and the Bangladesh Accord.

Due diligence tips:

- Ensure that functions that conduct any form of site visits (e.g. sourcing and production) have a few simple human rights issues to assess and report back on.
- Pay specific attention to the use of sub-contracted workers, homeworkers, and sub-contracted separate factories - discuss with your suppliers, including how they address human rights issues outlined in the Code of Conduct with their sub-contractors.
- Always take local context into consideration (e.g. by working with local partners) - for example to ensure culturally-appropriate rest facilities.
- Do not overlook human rights risks related to production taking place in Europe.
- Ensure that **all workers** are considered in human rights due diligence, including homeworkers, subcontracted workers and other informal workers - for examples of mitigating measures related to homeworkers, see Ethical Trading Initiative's resource.

Starting conversations with suppliers

- If you have the conversation early and focus on engaging, the conversations do not have to be difficult.
- Initial conversations can focus on: the supplier's views on the code of conduct; what they find difficult about it and what is less difficult; and your own challenges and reasons for requiring this.
- Share examples of long-term relations with other suppliers and how they have made progress.
- Explain why you believe having robust human rights due diligence is important for the supplier and be prepared to offer something in return (e.g. capacity-building for supplier staff).
- If you receive questions you cannot respond to, make clear that you will follow up with an answer and continue the dialogue.

For more, see Danish Ethical Trading Initiative's guidance on supplier dialogue (in Danish).

GETTING IT RIGHT

CASE

Poor working environment and short-term contracts

In 2016-2017, multiple incidents of mass faintings were reported at garment factories in Cambodia, with over a hundred workers fainting 'en masse'. Possible causes for such mass faintings were attributed to excessive heat and poor ventilation in the factories, long working hours, poor nutrition as well as the psychological stress resulting from low wages and the insecurity of short-term contracts which pressures workers into accepting excessive overtime work.

Several international brands which sourced from these factories reportedly took action to address these issues. As an example, Puma engaged with Better Factories Cambodia (a programme of the International Labour Organisation and International Finance Corporation) to conduct investigations into the issue, replaced short-term contracts for workers who have worked for more than 2 years to improve job security and improved ventilation at the factories.

This case illustrates that those in vulnerable working situations are at risk of a wide range of human rights impacts beyond specific decent work standards, in this case including even the right to health.

OWN OPERATIONS AND OFFICE MANAGEMENT

Human rights risks are present not only in a company's supply chains but also in its own operations, including in retail stores and back-office operations at the headquarters and in local offices, and across all functions.

Internal functions that should be involved in human rights due diligence efforts at this stage include human resources, stylists, office management and retail store management. Senior management should also be involved, in order to foster a culture that is conducive to decent working conditions across the company.

What are the human rights risks?

While DM&T members have their head-offices in Denmark where most human rights related issues are highly regulated (incl. workers' rights related issues through the collective bargaining system), there are still risks to human rights that need attention. This includes:

THEME	MEASURE
Gender inequality	• There are still few women in senior roles despite the fact that there are many women in the industry, in addition there are also statistics showing a gap in pay between genders in Denmark, which may therefore be the case in the fashion and textile sector as well.
Working environment	• Risks of workplace discrimination, harassment, and surveillance.
Working conditions for project staff and vulnerable workers	• Poor working conditions for certain workers in the fashion industry (e.g. editors, stylists, photographers, make-up artists and designers), including long hours, precarious forms of employment (often short-term or freelance contracts), low or no pay especially for junior staff, hierarchical working environment enabling abuse of power. • Poor working environment and conditions for fitting models - standing for long hours with little to wear, unhealthy body and weight requirements, young age and lack diversity in casting. • In retail stores across Europe, there have been reports of poorly paid workers, long working hours and zero-hour contracts. • Procurement of services at local offices - e.g. cleaning companies with subpar standards and low wages.

What can brands do?

At this stage of the value chain, the company is generally considered to cause any negative impacts (see Annex 1 for more). That means that a company is also considered to be in control over the situation and it is no longer about building leverage but about taking direct and decisive action to prevent or address identified negative impacts.

TOPIC	MEASURE
Gender inequality	• Use external best practice to map out and benchmark company efforts, and use the analysis to highlight key improvement areas. • Link wage and gender transparency to broader transparency and sustainability efforts of the company - showing how a holistic approach is needed.
Working environment	• Develop standards and capacity-building on non-discrimination, diversity and inclusion, and socialise them internally. • Internal training and education on rights and entitlements of employees - e.g. what constitutes harassment, what channels are available to report violations and connect to broader sustainability efforts.
Working conditions for project staff and vulnerable workers	• Ensure that all workers (incl. temporary, zero hour, and migrant workers, and sub-contracted workers via recruitment agencies) have decent working conditions - update internal policies to reflect this position. • Use the human rights and social standards for procurement of garments also for the procurement of services (e.g. cleaning) and products (e.g. office equipment) that are not 'core' to the business. • Ensure decent working conditions for models hired by the company - e.g. participate in industry initiatives to improve the well-being of models (and other workers in the fashion industry), such as the Danish Fashion Ethical Charter.
Cross-cutting	• Use work environment assessments and other forms of employee dialogue to identify potential human rights issues within your own operations, and in order to identify and inform necessary actions and measures.

Due diligence tips:

- Look inward into your own operations to identify how the risks mentioned play out in your organization - just because you operate in a regulated context, it does not mean that it is free from human rights risks.
- Engage with other company functions (e.g. HR and sales) on the issues and try to find collective ways to assess and address them, and in that way ensure that human rights due diligence is integrated in the organization.
- Be attentive to specific risks in local contexts, e.g. the safety of your own auditors when inquiring about politically sensitive issues such as forced labour in China.

GETTING IT RIGHT

CASE

Danish Fashion Ethical Charter and working conditions for models

In response to concerns about unhealthy body size expectations and poor working conditions in general for models, various actors in the Danish fashion industry (including DM&T) jointly launched the Danish Fashion Ethical Charter. Parties to the Charter agree to rules on the minimum age of models, provision of healthy foods on set, payment of wages and health checks on models to ensure the health and appropriate and dignified treatment of models.

Multiple brands, magazines and model agencies (including DM&T members) have since signed the Danish Fashion Ethical Charter, as it has been made a pre-requisite in order to participate in Copenhagen Fashion Week. Parties who do not abide by the rules will be put on a black list published by the Charter.

This case illustrates a way to take collective action to address systemic human rights-related issues and thereby achieving a greater impact than if individual companies would have taken action on their own.

Source: Danish Fashion Ethical Charter - DFEC

DISTRIBUTION AND WAREHOUSING

Though most focus on human rights in the sector has been on the supply chain, companies should be mindful of the human risks in the other end of the value chain. This includes the transport and the warehousing of materials and products throughout the value chain, particularly that of finished garments and textiles between manufacturers, brands, retailers and customers, where brands and retailers have higher leverage. Risks at this stage are increasingly relevant for brands to focus on given the rise in e-commerce, where products are expected to arrive to the consumer as quickly as possible, adding extra pressure to workers in the transport sector.

Internal functions that should be involved in human rights due diligence efforts at this stage include staff handling logistics, but also to sales and marketing as the demand for short delivery times puts pressure on transport and warehouse workers.

What are the human rights risks?

THEME	MEASURE
Land transport	• There have been several reports of poor working conditions for sub-contracted workers in land transportation business - risks include excessive hours, unpaid overtime, crowded dormitories, no rest time, zero-hour contracts, and even non-payment of wages. • Severe road safety issues linked to poor working conditions related to the pressure from short delivery times. • Workplace surveillance of drivers who are constantly being monitored, which is a right to privacy problem, which can also cause stress and other health-related impacts.
Shipping	• Use of manning agencies and risk of recruitment fees and debt bondage. • Health and safety at sea (for an overview of the human rights risks associated with ship transport, see the Ship Lifecycle: Embedding Human Rights from Shipyard to Scrapyard).
Warehousing	• Short delivery times puts pressure on workers and generally impacts their working conditions, including low wages and long working hours. • Occupational health and safety issues, as warehouses can be dangerous working environments.

What can brands do?

Just like in the other end of the value chain, much of the work here is to first understand the human rights risks that may be relevant to consider for your particular operations and context, and then to engage directly with business partners and increase your leverage, and thereby the ability to prevent or address human rights issues.

TOPIC	MEASURE
Working with contracting parties	• Develop and use code of conduct for procurement of transport and warehousing services, incl. standards on wages, recruitment fees and overall working conditions - for guidance, see for example the Truck Transport Social Guidelines. • Ensure 'safe rates' for drivers and make demands on recruitment and manning agencies to follow the 'employer pays principle' in order to address risks of e.g. debt bondage. • Conduct social compliance audits of distribution and warehousing suppliers (e.g. regarding the code of conduct).
Working with third parties	• Encourage customers to choose longer delivery times to reduce pressure on transport and warehousing, for example by using "nudging techniques" such as presenting delivery options with the longest delivery times before ones with shorter times while highlighting the sustainability gains.
Collective action	• Consider the work of cargo owners (i.e. the ones getting goods transported) to address risks in their shipping activities - this includes the Sustainable Shipping Initiative which is an initiatives supported by the cargo-owners to address sustainability challenges in shipping.

Due diligence tips:

- Tailor already existing supplier code of conduct and use it in contracts with forwarders, distributors and others that you contract transport with, as well as with warehouses.
- Many large transport companies are also used by large customers, who are beginning to consider these issues, and human rights requirements should come as no surprise to them.

GETTING IT RIGHT

CASE

Responsible trucking standards

In response to the poor working conditions of truck drivers in the road transport sector in Europe, a group of 11 leading transport buyers (companies using freight transport services, such as fashion brands and manufacturers) and transport suppliers (companies providing freight transport services), including fashion retailer H&M, have taken part in the Responsible Trucking initiative and have released the Truck Transport Social Guidelines. These guidelines stipulate requirements on the working conditions of truck drivers which the participating companies undertake to uphold themselves and expect their suppliers and subcontractors to follow, such as on forced labour, working hours, remuneration, facilities and health and safety.

This case illustrates how brands with a high degree of leverage can require transport companies to ensure decent working conditions for transport workers. Brands with less leverage can also choose to work with transport companies that are subject to such human rights requirements and thereby gain further assurances that the standards are adequate.

Source: CSR Europe, 'Responsible trucking partners release Truck Transport Social Guidelines'

SALES, MARKETING AND END-USE

Human rights risks are also present in the sales and marketing of garment and textile products, as well as after sales, during use and disposal. The MeToo and Black Lives Matter movements have further highlighted the need to consider diversity and stereotyping in public communication and marketing activities. In addition, there are groups that may be more susceptible to the negative impacts of marketing on e.g. self-esteem and body image, including young adults and children.

Internal functions that should be involved in human rights due diligence efforts at this stage include sales and marketing as well as design and product development, including functions that have a responsibility for environmental sustainability.

What are the human rights risks and what can the brands do?

THEME	ISSUE	MEASURE
Retail	• Franchisee retail stores and resellers with poor working conditions for retail workers.	• Include human rights standards (e.g. code of conduct) in contracts with resellers and franchisees, focusing on working conditions of retail staff.
E-commerce	• Data protection and right to privacy risks for consumers and potential future customers.	• Follow EU General Data Protection Regulation (GDPR) in e-commerce activities, and make sure your e-commerce service providers also follow GDPR. • Engage with your e-commerce service providers on the topic of consumer data and ask for human rights policies.

THEME	ISSUE	MEASURE
Marketing practices	• Stereotyping in marketing can be linked to body-image issues and thereby be related to health impacts. • Lack of diversity in advertising can lead to potentially discriminatory outcomes. • Targeted advertising may be related to issues with right to privacy as well as other impacts, such as discrimination, particularly when children are targeted.	• Follow the Danish Fashion Ethical Charter, specifically on the use of retouching in photos and use of models. • Review your existing advertising practices from a diversity perspective and consider potential human rights risks - e.g. how it may cause unintended impacts on vulnerable groups. • Evaluate your use of targeted advertising practices and consider how the data used has been obtained, ensuring that the right to privacy is respected - pay particular attention to whether children are (unintentionally) targeted.
Product use	• Chemicals in products can cause skin problems and thereby have direct impacts on consumers' right to health.	• Devise restricted substance list and ensure that finished garments are tested.
End-of-life	• Recycled as raw-materials (e.g. take-back schemes): human rights risks associated with recycling (see raw material section) • Disposal: environmental impacts and human rights impact by extension - e.g. communities living near landfills or incineration sites risk being affected by the pollution with related health impacts. • Donate for recycling: sold to developing countries, hurting local economy and risk contributing to increased local pollution.	• Consider the risks of product ending up in landfills, and collaborate with industry peers in order to address the issues. • See raw material section for recycled materials and related measures.

Due diligence tips:

- Start by consulting existing work on environmental impacts in your downstream operations and focus on the potentially related human rights impacts - consider also human rights impacts related to projects on circular economy.
- Follow the Danish Fashion Ethical Charter.
- Include expectations on adequate working conditions of staff in contracts with resellers and franchisees.

GETTING IT RIGHT

CASE

Marketing impacts and diversity

Increasingly, fashion brands are sharing examples of how their products are developed and marketed with diversity considerations - both in terms of gender identity, age, race, body sizes and other characteristics. This may reflect not only a change in consumer awareness and demand but also an increasing realisation of the potential negative impacts of marketing practices.

An example of negative impacts related to marketing practices can be found with *an H&M advertisement where the use of a black child model wearing a shirt with the words "coolest monkey in the jungle" was accused of carrying racist connotations. From a human rights perspective, it is particularly relevant to consider that while the marketing might be aimed at parents the product was for children, who may therefore also see the ad.*

After the incident, *H&M reportedly hired a consultant to head their efforts on diversity and inclusion. H&M's efforts to improve diversity went beyond advertisements and included introducing sizes for a broader variety of body sizes, developing modest clothes designs that are appropriate across cultures and launching clothing lines that are not gender specific.*

This case shows the importance of taking diversity into consideration both in marketing and in other areas such as product development, seeing as both campaigns and actual products might have unintended negative impacts on human rights, e.g. the right to equal treatment and non-discrimination.

ANNEX I – Human rights due diligence guidance

The UN Guiding Principles on Business and Human Rights (UNGPs) were unanimously endorsed by the UN Human Rights Council in 2011 and have since then been the internationally recognized standard concerning the corporate responsibility to respect human rights. The UNGPs set out that while states have a responsibility to protect human rights in relation to negative impacts caused by business activities, companies have a responsibility to respect human rights. This means that businesses must have an ongoing process (called human rights due diligence, see Danish NCP Guidance: 'Samfundsansvar - Vejledning til små og mellemstore virksomheder i mode- og tekstilbranchen' for more) in place to identify, avoid, address, mitigate and remediate the human rights impacts with which they are involved. This responsibility concerns all businesses (though scale and complexity may vary depending on size) and all internationally recognized human rights. Companies' responsibility to respect human rights applies regardless of a government's failure to fulfil its own duty. For example, in a country where the government does not have any laws concerning discriminatory practices a company's responsibility to respect the right to non-discrimination remains intact

Key attention points

It is important to note that human rights due diligence activities can benefit greatly from existing CSR and sustainability efforts and activities. Such efforts and activities can often be adjusted to align with the UNGPs and the process of human rights due diligence. It should also be added that human rights cut across topics that most companies are already familiar with, such as human resources, health and safety, responsible procurement etc.

As such, it is important to not reinvent the wheel but to make sure human rights due diligence is embedded into and benefits from existing efforts.

WHAT IS REQUIRED?

Policy commitment

Companies should have a policy commitment to respect human rights, which should at least refer to the International Bill of Human Rights and the ILO core labour standards but also other relevant human rights instruments. The commitment should also include expectations on suppliers to respect human rights, and commitments to engage with stakeholders and to provide access to remedy where the business has caused or contributed to negative human rights impacts. For more guidance on developing a human rights policy commitment, see A Guide for Business – How to Develop a Human Rights Policy.

Identifying and assessing impacts

Companies should have processes to identify their potential and actual human rights impacts. Such processes should look at the different risks for specific locations/geographies and activities, and the impacts that they may **CAUSE** or **CONTRIBUTE TO** as well as otherwise be **LINKED TO** through business relationships.

Examples of types of impacts

- **CAUSE:** A garment manufacturer discriminates against women in decisions about promotions.
- **CONTRIBUTE TO:** A fashion brand demands significant last-minute changes in product specifications from a garment manufacturer without adjusting the price or delivery dates. As a consequence, the manufacturer requires its workers to work significant overtime without being compensated.
- **LINKED TO:** A brand that uses viscose in its garment learns that the raw material used in its garments is made from forests planted on lands where natural forests have been cleared and from which indigenous peoples have been forcefully resettled.

There are many different sources to consider when trying to identify country and sector risks. A good resource to consult is the Business & Human Rights Resource Centre. The Universal Periodic Review reports, the country visit reports by UN Working Group on Business and Human Rights and the Global Naps website are other good and publicly available sources to consult.

When negative human rights impacts have been identified companies should proceed to assess the **SEVERITY** of those impacts. In situations where it is necessary to prioritise actions to address the identified impacts, companies should address the most severe potential and actual human rights impacts first. It is important to note, however, that companies have the responsibility to address all their negative human rights impacts.

Assessments of potential and actual impacts must be ongoing, and a general overview should be updated systematically since business activities, environments and other factors are dynamic and subject to change.

Integrating and acting on findings

Companies should have a global system to take action to prevent, mitigate or remediate their potential and actual negative human rights impacts, including in the supply chain and elsewhere in the value chain. A company's responsibility differs depending on its involvement in the negative impact. Companies have a responsibility to cease, prevent and remedy impacts that they cause or otherwise contribute to. This can for example concern immediately changing health and safety practices after it has been identified that new hires in a warehouse are not trained properly and are not wearing the required personal protective equipment. Another example is to adjust purchasing practices after it has been identified that suppliers made their employees work overtime due to last-minute changes to orders, without paying the employees for their overtime work.

Concerning impacts that companies are merely directly linked to through business relationships, the requirement is to mitigate or prevent the impacts. In the "linked to" scenario companies are expected to use or seek to increase their leverage to mitigate the adverse impacts. They are however not required to provide remedy. One way to increase **LEVERAGE** is to take collective action, such as working together with other fashion and textile companies to pressure garment suppliers in a country with poor human rights track record to improve their labour rights-related practices, which have been identified to be poor. When a business partner is causing negative human rights impacts the company can initially assist the business partner in addressing and mitigating the negative impacts, as well as increase its leverage to influence the business partner. However, if all else fails, the company should consider terminating the business relationship.

Tracking and monitoring

Companies should have a system for tracking and evaluating the effectiveness of actions taken, to assess whether they have produced the desired results or not. Companies should use this system to learn from previous activities, so that future actions do not repeat the mistakes of the past and that successful actions can be replicated.

Communicating and reporting

Companies should communicate externally how they address their human rights impacts, how effective they have been and what actions are planned for the future to address still pending issues. Reporting should also include actions taken to address human rights impacts in the supply chain and elsewhere in the value chain. Reports and other communication materials should always be accessible, in particular to affected rights holders who have raised concerns. Much of the recent legislation on the topic of business and human rights has concerned reporting, and reporting is currently mandatory in the EU (the EU Non-Financial Reporting Directive), in the UK (UK Modern Slavery Act) and in Denmark (Danish Financial Statements Act), among other places. Human rights due diligence can help companies comply with legal requirements. For more guidance, see UN Guiding Principles Reporting Framework.

Access to remedy

Companies should have one or more channels or mechanisms (own, third party or shared) that are accessible to both workers and communities, where they can raise complaints or concerns related to the companies' responsibility to respect human rights. Companies should make the mechanisms available for workers in the supply chain (and elsewhere in the value chain) and for communities impacted by those activities as well, or make sure that suppliers and other business partners have adequate mechanisms in place. Existing complaints mechanisms within companies, such as whistle-blower functions, hotlines, worker representatives and open-door policies, can and should be used to fulfil this requirement. Companies should make such mechanisms available to all potentially affected rights holders and ensure that negative impacts on human rights are explicitly part of what the mechanisms can be used for.

Stakeholder engagement

Meaningful stakeholder engagement is essential throughout the due diligence cycle. This particularly involves consultation and engagement with impacted and potentially impacted individuals and communities to gather information on adverse impacts and risks. Companies should also engage with stakeholders and rights holders on the effectiveness of mitigating actions.

FURTHER GUIDANCE AND RESOURCES

Standards and frameworks

- The UN Guiding Principles on Business and Human Rights, 2011
- The OECD Guidelines for Multinational Enterprises, 2011

Guidance

- OECD Due Diligence Guidance for Responsible Business Conduct
- Human Rights Translated 2.0: A Business Reference Guide
- Doing Business with Respect for Human Rights
- Global Business Initiative for Human Rights – Business Practices Portal
- Amfori/BSCI Country Risk Classification (2021)
- Fairwear Country Studies and Risk Assessments (search within resources)

Tools

- DIHR's Human Rights Impact Assessment Toolbox
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones
- Dansk Initiativ for Etisk Handel – de6skridt.dk

Guidance and standards specifically relevant to fashion and textile

- OECD due diligence guidance for responsible supply chains in the garment and footwear sector
- ILO Draft code of practice on safety and health in textiles, clothing, leather and footwear
- ILO Guidelines on the promotion of decent work and road safety in the transport sector
- Danish NCP Guidance: Samfundsansvar - Vejledning til små og mellemstore virksomheder i mode- og tekstilbranchen
- Joint Ethical Trading Initiative's 'Guide to buying responsibly'
- Fair Wear guidance to addressing violence and harassment in the world of work
- Fair Wear's country studies

Initiatives

- ACT on Living Wages
- Business and Human Rights Resource Centre – Apparel company dashboards
- Clean Clothes Campaign
- Fair Wear Foundation
- Sustainable Apparel Coalition
- The Industry We Want

ANNEX II – Certification schemes and human rights

The overview below shows the different certification schemes utilised by Danish Fashion and Textile members and whether and how these schemes currently incorporate human rights and human rights due diligence into their standards for certification. This overview has been developed through desktop research based on information available online. It is not intended to be detailed or comprehensive. Rather, it serves as an overview with references on where to go for more information. Users are encouraged to engage in direct dialogue with the relevant schemes to learn more about their approach and to gain a more comprehensive understanding of their work on human rights and human rights due diligence.

The below schemes include product certification schemes, which provides for standards that the product seeking to be certified has to satisfy; and company audit schemes, which provides for standards that the company applying for certification has to satisfy.

The overview reveals that while the schemes examined all require compliance with some labour rights standards, few require companies to conduct human rights due diligence generally or expli-citly address the human rights of communities and consumers. All of the schemes examined require that the rights provided under the core ILO conventions be ensured, being (1) freedom of asso-ciation and collective bargaining, (2) prohibition of forced labour, (3) prohibition of child labour and (4) non-discrimination. Most also address rights in relation to (5) occupational health and safety, (6) wages and (7) working hours. This overview specifies where a scheme goes beyond by requiring the protection of other labour rights in addition to these 7 rights, or falls short by omitting any of these 7 rights from its requirements.

The overview examines only the standards stipulated by these schemes but does not examine other factors determining how certification is given, such as the audit processes verifying compliance or the weight given to each criterion. Companies should bear in mind the possibility that even where a certification scheme incorporates human rights standards extensively, certification under such a scheme might still be given to a product or company that in reality performs poorly in human rights if, for example, the audit processes are inadequate or if the threshold for giving certification is low.[5] In addition, it is worth noting which part or parts of the value chain are covered by the scheme. Sometime this will only cover the processing stage and not where and how the raw materials have been produced and vice-versa.

It is important to note that, while these schemes can support human rights due diligence, using only goods certified through such themes does not in itself constitute due diligence but can be used as one diagnostic tool in support of the due diligence activities. For a full overview of different due diligence measures and recommendations, please consult the full guidance.

[5] *For more on the limitations of social auditing in identifying human rights risks in the garment industry, see resources from Clean Clothes Campaign, Transparentem; see also the Business & Human Rights Resource Centre and the European Center for Constitutional and Human Rights for the limitations of social auditing in general.*

Product certification schemes

1. BETTER COTTON INITIATIVE		
Provider	Better Cotton Initiative, governed by its Council composed of members from civil society, producer organisations, retailers and brands, suppliers and manufacturers and independent members.	
Product(s) covered	Cotton	
Part(s) of the value chain covered	Farming of cotton. Only the "farming areas used for the purpose of producing Better Cotton within the geographic boundaries under the farmer's responsibility" is considered. Stages after the farming stage (i.e. from ginning onwards) are subject to the Better Cotton Chain of Custody Guidelines, which do not contain human rights requirements.	
Applicable standards	BCI Principles and Criteria	
Human rights-related content	**Human rights due diligence**	No requirements on general human rights due diligence.
	Community rights	Community rights are addressed explicitly only where land is converted to grow cotton. Producers must adopt the "High Conservation Value approach" (where they must assess and address risks to the ecosystems and local communities and indigenous people) and "respect the right of local communities and indigenous people" (Principle 4 criterion 4.2). Community rights are indirectly addressed by requirements on the use of pesticides and water pollution (Principles 1 and 2), which, if not lived up to, can lead to negative impacts on e.g. the right to health.
	Labour rights	Labour rights are addressed in Principle 6. In addition to the rights provided by the core ILO conventions (freedom of association and collective bargaining, forced labour, child labour and non-discrimination) and occupational health and safety, wages and working hours, Principle 6 also provides for criteria on other labour rights such as access to water and sanitation facilities and medical care. Principle 6 also refers to the concept of decent work and recommends that farmers promote decent work.[6] There are further guidance for implementation and indicators under each criterion. The definition of "workers" is discussed in Annex 4, where consideration is given to different types of workers (e.g. family workers, migrant workers, seasonal workers, sub-contracted workers).
	Consumer rights	Consumer rights are not addressed. Principle 5 addresses contamination of cotton, but focuses on preventing cotton from being rejected rather than consumer safety.

[6]The concept of decent work goes beyond rights at work and also includes the aspects of employment opportunities, social protection and social dialogue. For more on decent work, refer to the explanation by the International Labour Organisation.

2. EU ECOLABEL		
Provider	European Commission with designated Competent Bodies for implementation at the national level.	
Product(s) covered	Textile products, including accessories (i.e. trims)[7]	
Part(s) of the value chain covered	Human rights criteria only cover production sites in the cut, make and trim stage (see criterion 26). Production that takes place elsewhere (e.g. homeworking) is not covered.	
Applicable standards	Criteria set out in the EU Commission Decision of 5 June 2014 establishing the ecological criteria for the award of the EU Ecolabel for textile products and its Annex	
Human rights-related content	**Human rights due diligence**	No requirements on general human rights due diligence. Although criterion 26 makes reference to the UN Global Compact and OECD Guidelines for Multi-National Enterprises, the reference is limited to respect for labour rights.
	Community rights	Community rights are not addressed explicitly, but requirements in criteria 1 to 9 and 13 to 16 on the use of chemicals and pollution are potentially relevant, as they relate to risks to e.g. the right to water and right to health.
	Labour rights	Criterion 26 requires that cut/make/trim production sites ensure "rights at work as described in the International Labour Organisation's (ILO) Core Labour Standards, the UN Global Compact and the OECD Guidelines for Multi-National Enterprises". These instruments cover the rights under the core ILO conventions (freedom of association and collective bargaining, forced labour, child labour and non-discrimination) and occupational health and safety. Wages and working time are covered to the extent that businesses should "observe standards of employment and industrial relations not less favourable than those observed by comparable employers in the host country" (OECD Guidelines Section V 4a). Criterion 27 prohibits the sandblasting of denim, which poses health risks to workers. Criterion 14 on the use of hazardous substances during dyeing, printing and finishing is also potentially relevant to the health and safety of workers.
	Consumer rights	Some consumer rights are indirectly addressed by requirements on the hazardous substances (criteria 13 and 14), which can pose e.g. right to health risks.

[7] *See Article 1 of the Decision for details on the products covered.*

3. FSC CERTIFICATIONS		
Provider	Forest Stewardship Council (FSC)	
Product(s) covered	Forest-based textiles (e.g. viscose, rayon, modal)	
Part(s) of the value chain covered	The management of forests which supply wood pulp for the production of textile fibres is certified under the Forest Management Certification scheme. For a final product that contains materials from FSC-certified forests, all organisations along its supply chain (e.g. in the manufacturing, processing and trading stages) must be certified under the Chain of Custody Certification scheme for the final products to be labelled FSC-certified.	
Applicable standards	For the Forest Management Certification scheme, the FSC Principles and Criteria and nation/region-specific standards based on International Generic Indicators apply. For the Chain of Custody Certification scheme, the Chain of Custody Certification Standard apply.	
Human rights-related content	**Human rights due diligence**	No requirements on general human rights due diligence.
	Community rights	Requirements regarding community rights are only stipulated in the Forest Management Certification scheme but not the Chain of Custody Certification scheme. In other words, only the management of forests is subject to requirements on community rights. Under the Forest Management Certification scheme: 1. Principle 3 of the FSC Principles and Criteria provides requirements regarding indigenous peoples' rights of ownership, use and management of land, territories and resources. Principles 3.1 to 3.6 provide further elaboration. In particular, human rights is addressed explicitly in principle 3.4, which requires organisations to "recognize and uphold the rights, customs and culture of Indigenous Peoples as defined in the United Nations Declaration on the Rights of Indigenous Peoples (2007) and ILO Convention 169 (1989)" (i.e. Indigenous and Tribal Peoples Convention). 2. Principle 4 requires organisations to "contribute to maintaining or enhancing the social and economic wellbeing of local communities". Principles 4.1 to 4.8 provide further elaboration. Some aspects of the rights of local communities are addressed, such as their rights in relation to forest resources, sites of particular significance and traditional knowledge. Principle 4.5 requires that organisations "identify, avoid and mitigate significant negative social, environmental and economic impacts of its management activities on affected communities", which resembles the human rights due diligence obligation of businesses under the UNGPs but does not refer to human rights explicitly.

Human rights-related content	**Labour rights**	Both the Forest Management Certification and the Chain of Custody Certification schemes address labour rights. Under the Forest Management Certification scheme, Principle 2 of the FSC Principles and Criteria provides for requirements on labour rights. In addition to rights under the core ILO conventions (freedom of association and collective bargaining, forced labour, child labour, non-discrimination) and health and safety and wages, there are requirements on gender equality, training and supervision and resolving grievances. Working hours are not addressed. Under the Chain of Custody Certification scheme, labour rights requirements are limited to the core ILO conventions (child labour, forced labour, non-discrimination, freedom of association and collective bargaining) (see Clause 7 of the Chain of Custody Certification Standards). Other labour rights (e.g. wages, working hours) are not addressed. FSC Core Labour Requirements Implementation Guidance contains further details on the labour requirements. "Worker" is defined under Part F of the FSC Principles and Criteria and Annex E of the Chain of Custody Certification Standard and include different types of workers including seasonal employees and sub-contractors.
	Consumer rights	Some consumer rights are indirectly addressed by requirements on the hazardous substances (criteria 13 and 14), which can pose e.g. right to health risks.

4. GLOBAL ORGANIC TEXTILE STANDARD (GOTS)		
Provider	Global Standard gemeinnützige GmbH, founded by Organic Trade Association (USA), Internationaler Verband der Naturtextilwirtschaft (IVN, Germany), The Soil Association (UK) and Japan Organic Cotton Association (Japan)	
Product(s) covered	Organic textile products[8]	
Part(s) of the value chain covered	"All textile processing, manufacturing and trading stages which are employing workers" as well as "the farm level, taking account of its specific nature and recognizing the limited direct monitoring and assurance possibilities." (Principle 3.1 of the Standard)	
Applicable standards	Global Organic Textile Standard (Standard) and Manual for the Implementation of GOTS	
Human rights-related content	**Human rights due diligence**	No requirements on general human rights due diligence. Although Principle 3 refers to the UN Guiding Principles on Business and Human Rights, Principle 3 itself concerns labour rights.
	Community rights	Community rights are not addressed explicitly, but requirements in Principles 2.3 and 2.4 on the use of chemicals are potentially relevant as potential pollution of e.g. water relates to the rights to health and livelihoods of communities.
	Labour rights	Principle 3 addresses labour rights. In addition to the rights provided by the core ILO conventions (freedom of association and collective bargaining, forced labour, child labour and non-discrimination) and occupational health and safety, wages and working hours, Principle 3 provides requirements on workplace harassment and violence, precarious employment and migrant workers. "Worker" is defined under Principle 7 as "any individual engaged in work who is not a senior manager or owner". Homeworkers are addressed explicitly (Principle 3.12.11). Non-standard forms of employment (e.g. subcontracting) are addressed in Principle 3.10.2 to the extent that such employment relationships should not be used to avoid labour or social security obligations.
	Consumer rights	Consumer rights are not addressed explicitly, but requirements in Principles 2.3 and 2.4 on the use of chemicals are potentially relevant, as this can impact the right to health of consumers.

[8] *See Principle 1.2 of the Standard for detailed definition.*

5. GLOBAL RECYCLE STANDARD (GRS)		
Provider	Textile Exchange, a non-profit association	
Product(s) covered	Textile products that contain at least 20% Recycled Material[9]	
Part(s) of the value chain covered	Certification covers all stages "beginning at the recycling stage and ending at the last seller in the final business-to-business transaction".[10] However, material collection e.g. pickers and sorters of recyclable materials is not covered.[11] Requirements on labour rights in section B only apply to "operations within the Certified Organization" but not to e.g. those who supply materials for recycling.	
Applicable standards	Global Recycled Standard 4.0 (Standard) and its Implementation Manual	
Human rights-related content	**Human rights due diligence**	No requirements on general human rights due diligence.
	Community rights	Community rights are not addressed explicitly, but environmental requirements in section C and requirements on the use of chemicals in section D of the Standard are potentially relevant, as they relate to risks to e.g. the right to water and right to health.
	Labour rights	Section B of the Standard address labour rights. In addition to rights provided by the core ILO convention (freedom of association and collective bargaining, forced labour, child labour and non-discrimination), occupational health and safety, wages and working hours, Section B also addresses non-standard employment relationships to the extent that such employment relationships should not be used to avoid labour or social security obligations (clause B2.6b). "Worker" is not otherwise defined.
	Consumer rights	Consumer rights are not addressed explicitly, but requirements on the use of chemicals in section D of the Standard are potentially relevant, as this can impact the right to health of consumers.

[9] *See Principle A3.1a of the Global Recycled Standard 4.0 (Standard).*
[10] *See Introduction to the Standard, p.6.*
[11] *While organisations that collect waste materials may apply for GRS certification, they are not required to do so. See Implementation Manual, p.21.*

6. MADE IN GREEN BY OEKO-TEX®		
Provider	OEKO-TEX, consisting of 18 independent research and textile testing institutes in Europe and Japan	
Product(s) covered	Textiles and leathers	
Part(s) of the value chain covered	All stages from the production of fibres or leather beamhouse to manufacturers of ready-made clothes and textile logistics centres[12]	
Applicable standards	The MADE IN GREEN by OEKO-TEX® Standard, under which the products themselves must be certified by Standard 100 or Leather Standard for harmful substances and production facilities must be certified according to the STeP Standard.	
Human rights-related content	**Human rights due diligence**	No requirements on general human rights due diligence.
	Community rights	Community rights are not addressed explicitly, but requirements on chemical management, environmental performance and management in chapters 4.1 to 4.3 of the STeP Standard are potentially relevant, as they can lead to risks to e.g. the rights to health and livelihoods of communities.
	Labour rights	Chapter 4.4 of the STeP Standard addresses labour rights. In addition to rights provided by the core ILO convention (freedom of association and collective bargaining, forced labour, child labour and non-discrimination), wages and working hours, chapter 4.4 also addresses the topics of employment relationship, harassment and abuse, access to sanitary and rest facilities. Occupational health and safety is addressed in chapter 4.6. "Worker" is not separately defined, but non-standard forms of employment are considered in parts of the STeP Standards, such as sub-contractors in chapter 4.5.5.2 and homeworkers in chapter 4.4.8.
	Consumer rights	Consumer rights are not addressed explicitly, but requirements on harmful substances provided by the Standard 100 and Leather Standard are potentially relevant, as this can impact the right to health of consumers.

[12] *See Chapter 2 of the STeP Standard for details.*

7. NORDIC SWAN ECOLABEL (SVANEMÆRKET)		
Provider	Nordic Ecolabelling	
Product(s) covered	Textiles, hides/skins and leather[13]	
Part(s) of the value chain covered	"All production sites for the ecolabelled textile, hide and/or leather" (O84 of the criteria document). The criteria document does not stipulate which stage(s) of the production are covered.	
Applicable standards	Nordic Ecolabelling for Textiles, hides/skins and leather criteria	
Human rights-related content	**Human rights due diligence**	No requirements on general human rights due diligence.
	Community rights	Community rights are not addressed explicitly, but environmental requirements in chapter 2 of the Criteria are potentially relevant, as pollution can negative impact e.g. the rights to water and health of local communities.
	Labour rights	Requirement O84 in chapter 4 requires compliance with the ILO Core Conventions (freedom of association and collective bargaining, forced labour, child labour and non-discrimination). There is no provision for other labour rights except that "the applicable laws and regulations" should be followed. "Worker" is not defined.
	Consumer rights	Consumer rights are not addressed explicitly, but requirements on the use of substances in chapter 2 of the Criteria are potentially relevant, as this can impact the right to health of consumers.

[13] *See "What can carry the Nordic Swan Ecolabel?" in the Criteria document for details.*

Company audit schemes

8. AMFORI BSCI[14]		
Provider	amfori	
Companies covered	Any company	
Applicable standards	Participating companies have to follow the amfori BSCI Code of Conduct. Different Terms of Implementation for participants, business partners and producers apply in addition. The amfori BSCI System Manual provide additional detailed guidelines for implementation.	
Human rights-related content	**Human rights due diligence**	Chapter IV of the Code of Conduct requires businesses to "act with due diligence and develop the necessary management systems, policies and processes to a reasonable extent as well as effectively prevent and address any adverse human rights impacts that may be detected in the supply chain". This requirement is limited to the supply chain instead of the whole value chain. Businesses are also required to "establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted".[15]
	Community rights	Community rights are addressed in Chapter V of the Code of Conduct to the extent that businesses should "prevent or minimise adverse effects on the community" as part of their responsibility to protect the environment.
	Labour rights	Chapter V of the Code of Conduct addresses labour rights. In addition to rights provided by the core ILO convention (freedom of association and collective bargaining, forced labour, child labour and non-discrimination), wages, working hours and occupational health and safety, Chapter V also addresses the topics of precarious employment.
	Consumer rights	Consumer rights is only addressed in Chapter V of the Code of Conduct to the extent that the collection, use and otherwise processing of the personal information of "customers and consumers in their sphere of influence" should be done with reasonable care.

[14] *amfori BSCI provides participating member companies with "a social auditing methodology and report" but does not conduct audits or gives certification itself. See "Is BSCI a certificate, a label or a standard?".*

[15] *Also see further "Explaining amfori's approach to Human Rights in Global Supply Chains".*

9. B CORPORATION (B CORP)[16]		
Provider	B Lab	
Companies covered	Any company	
Applicable standards	There are over 40 versions of B Corp's assessments, depending on the size and sector of the business being assessed. In general, B Corp's assessments are divided into 5 Impact Areas: Governance, Workers, Community, Environment, Customers.	
Human rights-related content	**Human rights due diligence**	Governance: integrating stakeholder consideration into the governance structure (legal requirements)
	Community rights	Assessment under the Community Impact Area can be relevant as it "evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from. Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving, and supply chain management. In addition, this section recognizes business models that are designed to address specific community-oriented problems, such as poverty alleviation through fair trade sourcing or distribution via microenterprises, producer cooperative models, locally focused economic development, and formal charitable giving commitments."
	Labour rights	Assessment under the Workers Impact Area can be relevant as it "evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction. In addition, this section recognizes business models designed to benefit workers, such as companies that are at least 40% owned by non-executive employees and those that have workforce development programs to support individuals with barriers to employment."
	Consumer rights	Assessment under the Customer Impact Area can be relevant as it "evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. In addition, this section recognizes products or services that are designed to address a particular social problem for or through its customers, such as health or educational products, arts & media products, serving underserved customers/clients, and services that improve the social impact of other businesses or organizations."

[16] As B Corp adopts different assessments based on the specificities of each company, this analysis is limited to the general considerations that B Corp takes into account across different assessments instead of the specific standards contained in each assessment. See also B Lab's statement on human rights in 2017.

10. FAIR WEAR FOUNDATION		
Provider	Fair Wear Foundation, a non-profit organisation	
Companies covered	Producers of sewn goods in the finishing stage.[17]	
Applicable standards	Code of Labour Practices	
Human rights-related content	**Human rights due diligence**	No requirements.
	Community rights	No requirements.
	Labour rights	The Code of Labour Practices addresses human rights. In addition to the rights provided by the core ILO conventions (freedom of association and collective bargaining, forced labour, child labour and non-discrimination) and occupational health and safety, wages and working hours, the Code of Labour Practices also provides for criteria on employment relationships.
	Consumer rights	No requirements.

[17] See further FAQ and "Who can join?".

11. SA8000		
Provider	Social Accountability International (SAI)	
Companies covered	Any company	
Applicable standards	Social Accountability 8000 International Standard with further implementation details in Performance Indicator Annex and Guidance Document.	
Human rights-related content	**Human rights due diligence**	Chapter II of the International Standard requires that the certified organisation respect international human rights treaties, including the UNGPs. However, there is no specific guidance or indicators for what is required to constitute "respect" for these instruments.
	Community rights	No requirements.
	Labour rights	Chapter IV stipulates requirements on the rights provided by the core ILO conventions (freedom of association and collective bargaining, forced labour, child labour and non-discrimination) and occupational health and safety, wages and working hours. "Worker" is defined as "all non-management personnel". "Personnel" is defined as "all individuals employed or contracted by an organisation, including but not limited to directors, executives, managers, supervisors, workers and contract workers such as security guards, canteen workers, dormitory workers and cleaning workers" (see Chapter III).
	Consumer rights	No requirements.