



RESPONSIBLE  
SUPPLY CHAINS  
& HUMAN RIGHTS



# **RJC Human Rights Exchange Webinar:** *Practical Steps to address Human Rights in the Jewellery Supply Chain*

Monday September 15<sup>th</sup> 2014

## Welcome and Agenda

Welcome:

- Fiona Solomon, *Director – Standards Development, Responsible Jewellery Council*

Panelists:

- Sandra Adler, *Independent Consultant, Business & Human Rights*
- Philip Hunter, *Programme Director Forced Labour & Human Trafficking, Verité*
- Claus Teilmann Petersen, *Vice President, Group CSR, Pandora*

Q&A

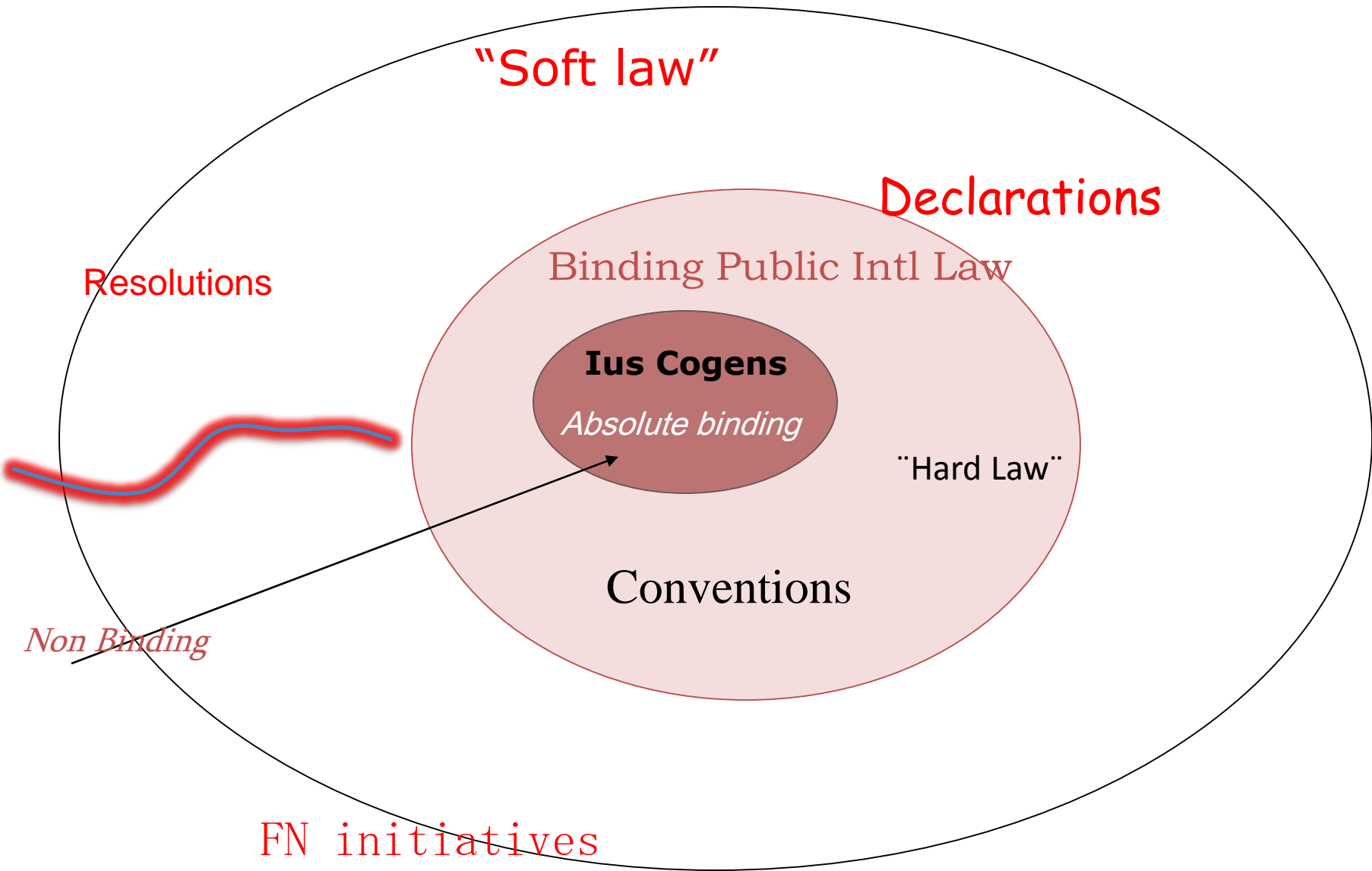
*RJC's  
Human Rights Exchange*

# Human Rights in the Jewellery Supply Chain

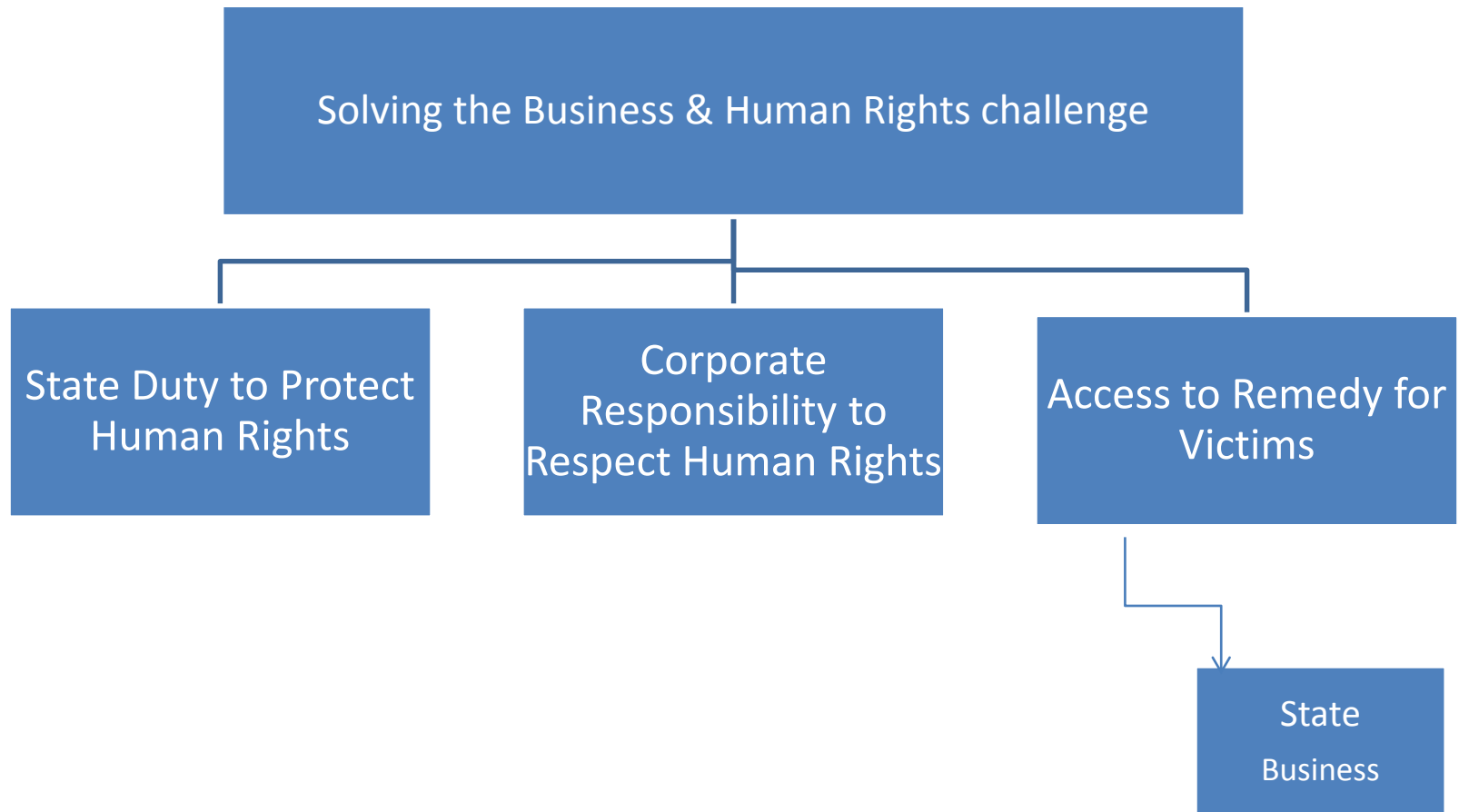
Sandra Adler  
*Human Rights Lawyer  
Consultant on Business and Human Rights*

# UN Guiding Principles on Business and Human Rights

- Public International Law
- Break through
- Global consensus – (State / Business / CSOs)
- Uptake since 2011
  
- Applies to States
- Applies to all business enterprises



# What do the UNGPs say?



# The Corporate Responsibility to Respect Human Rights

**Do no harm**



**Do good**

# UNGP 13

The responsibility to respect human rights requires that business enterprises:

- (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;
- (b) Seek to prevent or mitigate adverse human rights impacts that are directly *linked to* their operations, products or services by their business relationships, even if they have not contributed to those impacts.



# Which Human Rights?

## Universally recognized:

### International Bill of Human Rights

- Universal Declaration of Human Rights
- International Covenants on
  - Civil & Political Rights
  - Economic, Social and Cultural Rights

### ILO Fundamental Principles and Rights at Work

- Right to Organize & Collective Bargaining & Freedom of Association
- Child Labor
- Forced Labor
- Discrimination

## Additionally, as relevant

- Rights of vulnerable groups
  - Women
  - Children
  - Persons with disabilities
  - Migrant workers and their families
  - Minorities (national, ethnic, religious, linguistic)
  - Indigenous peoples
- International Humanitarian Law

# The Business Responsibility

- Prevent
- Address / Mitigate
- Remedy
- Account

## ‘Know and show’ in practice:

- 1. Policy, embed, train
- 2. Ongoing human rights due diligence
- 3. Remediation & Grievance Mechanism

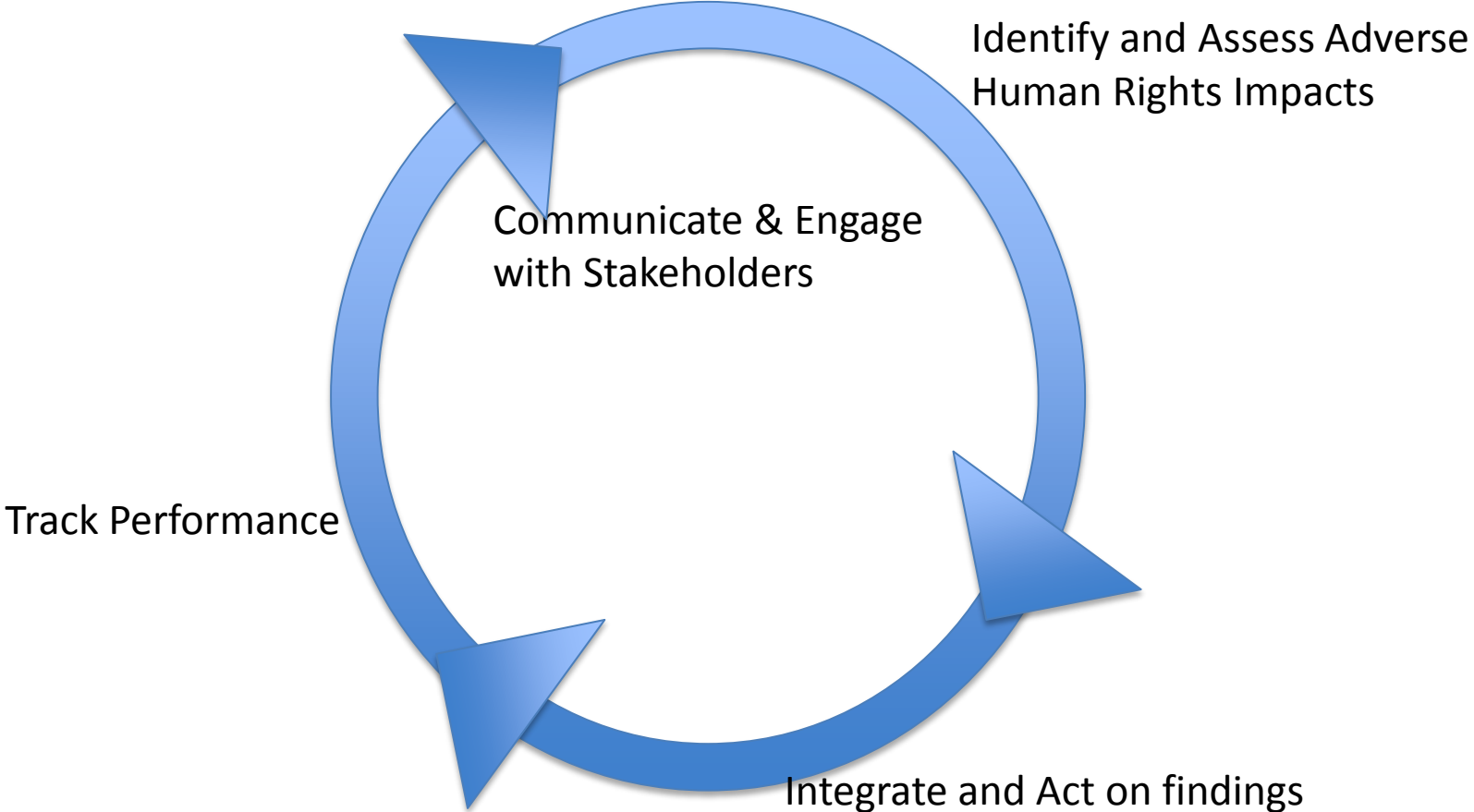
# HRDD in practice

- To do this (the 4 steps of due diligence):
  - Assess & Identify Impacts
  - Integrate and Act on Findings
  - Track Performance
  - Communicate with stakeholders

## Remarks:

- *Actual and potential* human rights impacts
- Ongoing
- Risks to the stakeholder, not (necessarily) the company
- Supply chain → Business relationships

# Ongoing Human Rights Due Diligence



# UNGP 13

The responsibility to respect human rights requires that business enterprises:

- (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;
- (b) Seek to prevent or mitigate adverse human rights impacts that are directly *linked to* their operations, products or services by their business relationships, even if they have not contributed to those impacts.

# HRDD in the Supply Chain

## Content of UNGPs *“What’s new?”*:

- “All business relationships”
- Distinguish ‘contribute’ from ‘linked to’
- **Contribution**: mitigate impact & use leverage over business partner
- **Linked to**: evaluate & use leverage over defaulting business partner

## In practice:

- Ultimate measurement is impact on people
- Using leverage: carrot or stick?
- Engagement with stakeholders
- Evolving practice
- GM for supply chain
- Collective action by industry or in multi-stakeholder efforts
- Capacity building & training
- The business case

# “The relevant context...”

... to a company:

... to the critical NGO / the  
affected stakeholder:

# Integrating 'the UNGP approach'

*into existing processes*

- Understanding the different approaches – 'contribution' vs 'linked to'
- Reviewing existing approach (how do we currently prioritize efforts, engage with suppliers if at all, etc)
- Ensuring capacity & resources
- Conducting training
- Management of existing vs new business partners
- Identifying major risks (supplier / country / operating context / business activity)
- Data integrity
- Defining the change we want to see
- Engaging with suppliers
- What leverage do we have? How can we use it?
- How can we increase leverage?
- 'End of the game'



# “Take Aways”

1. Human Rights Risk vs Company Risk
  - *Notion of ‘severity’*
1. Scope of Responsibility
  - *Contribution vs Linked to*
1. Engaging with others to create or utilize leverage
  - *Peers or multi-stakeholder*

# Questions to ask / *Where to begin*

1. Where are our most 'risky' suppliers?
1. How do we prioritize efforts?
1. Apart from suppliers, what other business relationships do we have (that may implicate human rights risk)?
1. How do we understand the difference between 'contribution' and 'linked to'?

# Useful resources

- Responsible Jewellery Council Human Rights Resources: <http://www.responsiblejewellery.com/rjc-certification/human-rights/>
- Business & Human Rights Resource Center - Jewellery section: <http://business-humanrights.org/en/sectors/consumer-productsretail/jewellery>
- Industry organizations / associations e.g. ICMM - Human Rights Section: <http://www.icmm.com/page/14809/human-rights-in-the-mining-and-metals-industry-overview-management-approach-and-issues>

# Thank you.

<http://www.responsiblejewellery.com/topic-experts/>

Sandra Adler

Ph: + 46 704 797 677

[Sandra.Adler@gmail.com](mailto:Sandra.Adler@gmail.com)



# Practical steps to address human and labour rights risks in jewellery supply chains

Philip Hunter

September 15<sup>th</sup>, 2014

Fair Labor. **Worldwide.**



## Prioritise labour rights

- Respect core labour standards
- Sources:
  - ✓ ILO instruments: Fundamental Principles & Rights at Work
  - ✓ UN Guiding Principles on Business & Human Rights
  - ✓ UN Global Compact
- RJC Code and Human Rights Due Diligence
- Integrate across corporate policies and practices



## Raise awareness & train

- Low levels of awareness about human and labour rights: these are complex issues
- Training can help staff and business partners better understand your expectations, policies and strategies
- Improve identification of risks and steps to address them



## Enhance supply chain visibility

- Limited visibility into supply chains, sub-contracting and human rights performance/impact of business partners
    - ✓ Where are your products or materials coming from, and how were they produced or sourced?
  - The response:
    - ✓ Supply chain risk mapping
    - ✓ Traceability
- ➔ Where are your workers coming from?





## Improve supply chain assessments

- Core strategy in CSR
- Traditional “checklist” or “snapshot” approaches to social auditing aren’t uncovering problems or leading to improvements
  - ✓ Workers must be at the heart of assessments
  - ✓ Only one among other strategies in due diligence, including effective grievance mechanisms



## Work with others

- Don't "go it alone": work with others to tackle these risks
- Helps you to see things you might not otherwise
- Enhances learning and strengthens policies and systems
- Improves supply chain and stakeholder relationships



# Guidance and tools for business



RESPONSIBLE  
SUPPLY CHAINS  
& HUMAN RIGHTS

UNITED STATES DEPARTMENT OF LABOR  
Bureau of International Labor Affairs

Reducing **Child LABOR and Forced LABOR**  
A Toolkit for Responsible Businesses

**Welcome**

The International Labor Organization (ILO) estimates that there are 215 million children in child labor worldwide, 115 million of them in hazardous forms of work. It also estimates that 21 million people are in forced labor, six million of them children.

By utilizing this toolkit, you have shown that your company is concerned about these grim statistics. You are interested in reducing the chance that your products—and the raw materials they come from—are manufactured, mined or harvested by children who should be in school, or by workers locked in sweatshops or forced into work through false promises or threats.

In order to effectively combat the risks of child labor and forced labor in your operations and global supply chains, you should have a comprehensive and transparent social compliance system in place. The goal of this toolkit is to

Select a Step to Learn More

**Steps to a Social Compliance System**

VERITÉ Fair Labor. Worldwide.

INTRODUCTION ABOUT WORKER PROFILES FAIR HIRING TOOLKIT RESOURCES CONTACT US

Search Help Wanted Section...

**Fair Hiring Toolkit**

**Sustainability Begins With Fair Hiring**

Whether you are a brand, supplier, government, investor, anti-slavery or labor-rights organization, social auditor, or certifier, your approach to protecting migrant workers is not complete unless it includes a focus on the path that workers take to get a job in the global economy. This Fair Hiring Toolkit offers tools, guidance, and approaches to support the responsible recruitment and hiring of migrant workers in global supply chains.

Brands Suppliers Governments Advocates Investors Auditors Multi-Sectoral

**Highlights**

**MYTH**  
Slavery is not a major part of the global economy.

WORKSHOP: Fair Hiring Toolkit & Verité Systems Approach for Managing Contract Labor Risks

International Labour Office

**Combating Forced Labour**

**A Handbook for Employers & Business**

Special Action Programme to Combat Forced Labour



# Thank-you!

For more information:

Philip Hunter

[phunter@verite.org](mailto:phunter@verite.org)

Verité

Fair Labor. **Worldwide.**

---

# PANDORA ETHICS

- PANDORA'S CSR & COMPLIANCE PROGRAMME



*“PANDORA is committed to advancing responsible business practices from the sourcing of gemstones, precious metals and other materials to the crafting and marketing of our jewellery”.*

# DEFINE YOUR AMBITION

## Policy commitment

PANDORA will work diligently to ensure that our actions as a minimum respect the human rights expressed in the “International Bill of Human Rights” and the International Labour Organisation’s conventions. We will proactively share our experiences and advance human rights within our sphere of influence.

## Focus areas

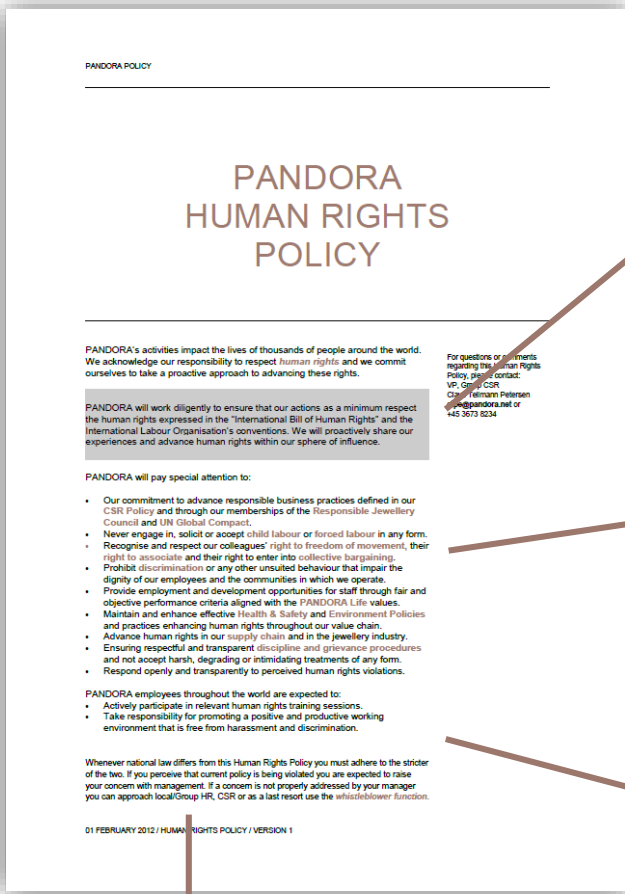
- Never engage in, solicit or accept **child labour or forced labour** in any form.
- Recognise and respect our colleagues’ **right to freedom of movement, their right to associate** and their right to enter into **collective bargaining**.
- Prohibit **discrimination** or any other unsuited behaviour that impair the

## Expected staff behavior

- PANDORA employees throughout the world are expected to:
- **Actively participate** in relevant human rights training sessions.
  - **Take responsibility** for promoting a positive and productive working environment that is free from harassment and discrimination.

## Raising concerns

Whenever national law differs from this Human Rights Policy you must adhere to the stricter of the two. If you perceive that current policy is being violated you are expected to raise your concern with management. If a concern is not properly addressed by your manager you can approach local/Group HR, CSR or as a last resort use the **whistleblower function**.



---

# CONDUCT YOUR RISK ASSESSMENT



SOURCING

CRAFTING

TRADING



# DEFINE YOUR SCOPE

## Tier 1

- PANDORA Production Thailand (97% of finished products)
- Very few OEM producers /subcontractors (3%)

## Tier 2

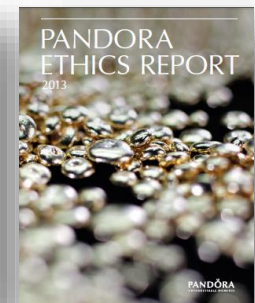
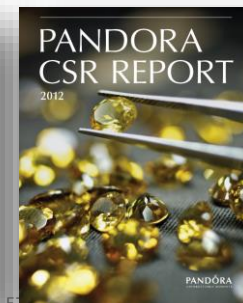
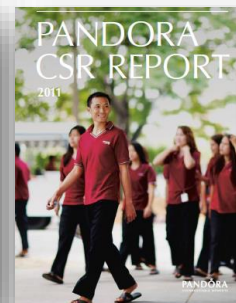
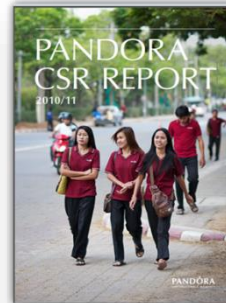
- The production facilities of our suppliers

## Tier 3 to tier X

- Core materials
- Strategic suppliers
- Single source
- Risk Materials



PANDORA Production Thailand	
2005	380
2006	616
2007	986
2008	1,362
2009	2,512
2010	3,596
2011	3,632
2012	4,124
2013 (ultimo)	5,921





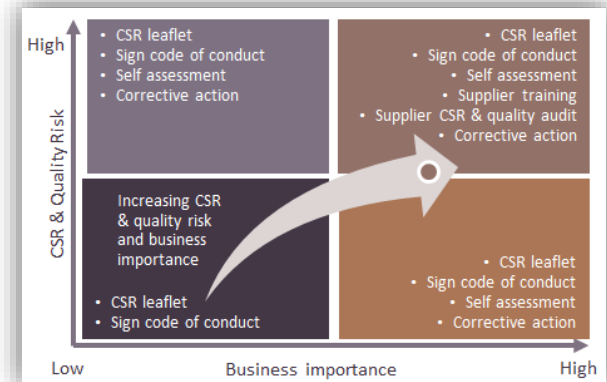
# DEVELOP YOUR APPROACH

## PANDORA Supplier's Code of Conduct

### 4 step Responsible Supplier Programme

- Screen
- Train
- Audit
- Corrective actions

### Recognise relevant certifications



# INTEGRATE WITH OTHER BUSINESS AREAS

## PANDORA's Procurement Strategy

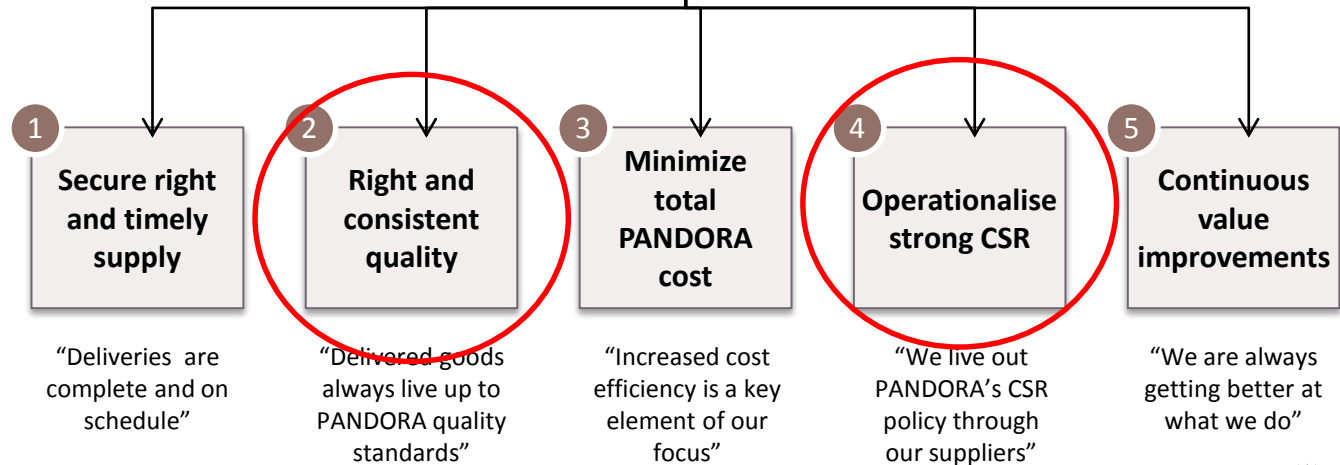
Vision

"Every dollar spent is spent professionally"

Key strategic question

What do we mean by professionally?

5 Strategic objectives



## Thank you for your attention

Any questions please contact: [training@responsiblejewellery.com](mailto:training@responsiblejewellery.com)  
 or visit our website at <http://www.responsiblejewellery.com/>

