



TRAMPLING WORKERS RIGHTS UNDERFOOT

A snapshot on the Human Rights Due Diligence performance of 23 companies in the global footwear industry

FACTSHEET

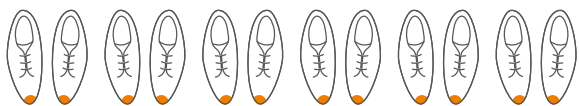
More than 24 billion pairs of shoes were produced in 2014,¹

which perfectly represents the dynamic global market where **fast fashion** dictates consumption trends in Europe and in every emerging country where affluence is consistently growing. Labour-intensive processes, combined with time and price pressures, have an impact on working conditions and workers' lives, no matter where they are based. Global dynamics of the sector have an impact also on working conditions within Europe, where decades of the global race to the bottom have reduced wages among low-income as well as high-income economies. This is generating an important phenomena of relocation back to Europe. As campaigners advocating for labour and human rights, we are deeply concerned about the working conditions of workers producing our shoes, wherever they live. It's time to change the way our shoes are produced.

The Change Your Shoes- project (CYS) initiated a shoe company assessment to get a snapshot of where the shoe industry stands in regard to social sustainability and to provide a resource for consumers on which brands are doing more and which are doing less to combat problems occurring throughout the global supply chain concerning workers' rights. Therefore, 23 companies with an influential presence on high streets across Europe have been assessed.²

According to the UN Guiding Principles on Human Rights and Business,³ **companies do have the responsibility to carry out Human Rights Due Diligence (HRDD) across their global supply chains.** Assessment of company responses and available documentation revealed that shoe companies are not yet meeting that responsibility.

CYS calls on the shoe companies to intensify their efforts to systematically assess the risks in their business operations to ensure labour and human rights are respected globally. CYS hopes the results will encourage companies to learn from the work being done by others, and that this information will allow synergies between organised worker efforts and brands in moving forward on human rights due diligence.



**> 24 billion pairs
produced in 2014**

¹ Portuguese Shoes, *World Footwear Yearbook*, APICCAPS, June 2015, p. 4.

² Change Yours Shoes, *Trampling workers' rights' underfoot - A snapshot on the Human Rights Due Diligence performance of 23 companies in the global footwear industry (FULL REPORT)*, 2016.

³ United Nations Human Rights Office of the High Commissioner, *Guiding Principles on Human Rights and Business. Implementing the United Nations "Protect, Respect and Remedy" Framework*, United Nations, New York and Geneva 2011. http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf (26.04.2016).

COMPANY PERFORMANCES:

NOTHING TO SAY:

Companies who **did not respond or communicated** with CYS about the survey but failed to fill in the questionnaire.



BALLY

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CCC

ECCO

Salvatore Ferragamo

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DRAGGING THEIR FEET:

Companies showing **hardly any evidence** that either workers' human rights are respected or that comprehensive human rights due diligence processes are in place.



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SOME EFFORT:

Companies that acknowledge and mention **work on human rights due diligence, but did not show much evidence** of a fully implemented and comprehensive approach so far. These companies all filled in the questionnaire.



Bata

Clarks



LOWA
Outdoor- & Skiboote

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ON THE WAY:

Companies showing **some evidence of human rights due diligence processes** which are largely incorporated across business operations, but not yet enough.



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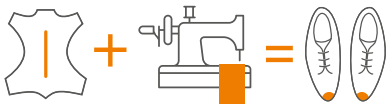
PROGRESSIVE:

Companies **show evidence** of carrying out human rights due diligence processes across the entire supply chain and **continuously adapting business practices** to identify negative impacts on human rights in order to respect workers' rights. These companies are accounting for how negative impacts on human rights have been addressed.



None of the assessed companies

Having a closer look at the company performance in the key areas of social responsibility within human rights due diligence, it becomes clear that there is in general room for improvement.



Supply chain set-ups provide good preconditions for HRDD activities:

The supply chain structures for the majority of the companies have been assessed as manageable and would provide good preconditions for meaningful HRDD. **7 out of 12 companies that replied produce a portion of their shoes in their own factories.** 1 company even produces all of their shoes in their own production sites. Most of the companies have a limited number of suppliers. 3 out of 12 responding companies have all their shoe production or the larger part of production in Europe. 8 companies are sourcing a larger percentage of their shoes from Asia.

Lack of transparency: Only 12 out of 23 companies participated in the survey.

Most of the companies do not meet their responsibility to account for how negative impacts have been addressed. Just 9 out of 23 companies publish a sustainability report. This level of intransparency and the lack of accountability should worry all actors involved, from consumers to the workers producing the shoes. The lack of information on working conditions and HRDD activities in tanneries is especially worrying. It is problematic that Leather Working Group, on which many companies rely to audit tanneries, do not make their audits public. Further, very little evidence on mitigation and remediation has been disclosed to CYS.



Main responsibility to mitigate breaches remains with business partners: Few of the assessed companies showed evidence

of jointly mitigated breaches or remediated violations of labour rights in the leather and shoe production. CYS is concerned about the outsourcing of social responsibility to business partners. For systematic change to happen, the main responsibility and especially the financial burden should be shared by the buying company. Especially when it comes to mitigating breaches and remediating adverse human rights impacts, companies did not show much evidence of a shared-responsibility approach. The report shows that audits are mostly complemented with Corrective Action Plans⁴ (CAPs). The responsibility to execute CAPs is usually passed on to the suppliers. Processes for mitigation and remediation must include specific actions of the buyer, since many breaches have their root causes in purchasing practices.

Payment of living wages⁵ in sourcing countries not ensured: Only 1 company obliges its business partners to pay a living wage,

and none of the 12 companies that replied ensure that workers in their supply chains are paid a living wage.



Occupational health and safety (OHS) not ensured: Especially negative impacts on working conditions in tanneries seem not diligently and proactively assessed and mitigated.

This survey shows that the responsibility to ensure OHS and mitigate breaches remains entirely with the business partners. Most of the implementation and monitoring practices the companies indicated to protect workers are not convincing

⁴ A Corrective Action Plan is a mutual agreement between a buying company and a supplier with a fixed timeline to solve certain issues, f.i. concerning workers' rights.

⁵ A living wage, by definition, means that a working person must be able to support themselves and their family. The notion of a living wage is well embedded in the international human right discourse.

No promotion of Freedom of Association (FoA) and Collective Bargaining:

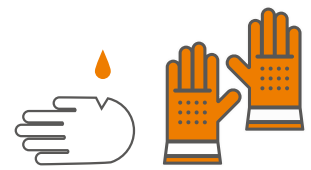
The company assessments show that, for the majority of the companies, effective practices are almost nowhere integrated into business operations to actively promote FoA and collective bargaining at supplier level. **Only 1 out of 6 companies producing shoes in Indonesia signed the FoA Protocol in Indonesia.**⁶



Weak protection of vulnerable groups: The assessment reveals a high risk that vulnerable groups like **migrant and home-based workers are neither identified nor protected.**

Few initiatives to improve working conditions: The footwear sector as a whole has just started its work on social supply chain responsibility. While many initiatives to improve environmental and consumer friendly production have been developed in the industry, **initiatives to protect workers in the global supply chains remains rare.**

While all assessed companies showed some awareness of hazardous substances, CYS has concerns that the main focus is limited to protect the environment and the consumers, not the workers.



CONCLUSIONS

From these results, it is clear that shoe companies need to intensify their efforts to systematically assess the risks in their business operations and to ensure labour and human rights are respected globally. Particularly with regard to highly important aspects – such as living wage, occupational health and safety, freedom of association, transparency and public accounting – a lot remains to be done. The brand assessment carried out should be seen as a snapshot about where the industry stands with regard to their HRDD performances. Results indicate that there is a clear need for improvement.

CYS EXPECTS SHOE COMPANIES TO **CATCH UP** WITH THEIR RESPONSIBILITY **AND STOP** TRAMPLING RIGHTS UNDERFOOT

⁶ The FoA Protocol is an agreement between local trade unions, sports brands and suppliers in Indonesia regulating specific issues regarding Freedom of Association.

CHANGE YOUR SHOES

Change Your Shoes is an international campaign which has been set up to work towards better social and environmental conditions in the tanneries, factories, workshops and homes where leather shoe production takes place. This campaign is a partnership of 15 European and 3 Asian organisations. Change Your Shoes believes that workers in the global shoe supply chain have a right to a living wage and safe working conditions, and that consumers have the right to safe products and transparency in the production of their shoes.

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