

## Step Up: Tell us who made our shoes

A campaign from the Change Your Shoes coalition



### Why do we need transparency?

The leather and shoe supply chain is complex, and often the details are hidden from us. We do know that unsafe working conditions, extremely low wages and suppression of unions are found across the shoe, leather, and garment supply chain. For example, shoe production – especially tanning of leather – involves many dangerous chemicals<sup>1</sup> and processes, putting workers' health and lives at risk. No one wants to know that their shoes have been made in life-threatening conditions. But without knowing where they were made, we can't make informed choices or hold brands to account for these conditions.

So, a lack of publicly available information on the supply chains of European companies is a significant barrier to the improvement of human rights. As long as the connection between working conditions and the brands is kept hidden, no one can be sure that companies are meeting their responsibilities to identify, and take action to prevent, human rights abuses in their supply chains. Transparency is therefore essential to improving the conditions of workers in the industry. But most brands provide very little information.

Several global brands like H&M, adidas and G-star have made their supplier lists public, and a few brands have publicised additional information like audit reports, action plans and wages. There is no reason why others can't do the same.

### Transparency helps workers to claim their rights

#### Compensation

When the Rana Plaza factory building in Bangladesh collapsed in 2013, more than 1,100 garment workers were killed. But before their families could seek compensation from the brands, the brands' labels had to be picked out of the rubble. This is because information about which brands were making clothes at those factories wasn't publicly available. In the horrific event of another catastrophe like Rana Plaza, transparency will allow compensation to be paid for workers and their families much more quickly.

#### Safety

Transparency will also help prevent such tragedies happening in the first place. Since Rana Plaza, the Bangladesh Accord on Fire and Building Safety has inspected more than 1,500

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<sup>1</sup> such as certain azo-dyes, formaldehyde, or the formation of Chromium VI during leather production

factories and found serious safety problems at all factories. The transparency of the Bangladesh Accord not only makes all inspection reports public, but also the corrective action plans, ensuring that proper follow up from factories and brands is much more likely.

It will also help workers to raise concerns. If there is a problem of safety, workers need to know which brands are buying from that factory so they can tell them about the problem. Not all the workers in a factory will see the labels on the garments they are making, as they might be involved in a different stage of the production. Labels may be in a language they don't understand, or labels could show a different name to the parent company responsible. So, greater transparency across the supply chain will improve safety for workers.

### **Wages and employment conditions**

Knowing the average wages of workers on different grades within a factory and across similar factories would allow for a union to scrutinise whether wages are fair and enough to live on.

Elsewhere in the shoe supply chain, women homeworkers play an essential role stitching leather uppers for shoes sold on European high streets. But they are often invisible, their rights ignored and they are at the mercy of their employer. Brands must identify and recognise homeworkers and give them the same rights as any other workers.

### **Union rights**

If brands demand information on unions and collective bargaining agreements in supplier factories it will send a clear signal to factories and producer countries that the brands support the workers' rights to empowerment.

With more information publicly available, unions and human rights defenders will be able to identify brands' suppliers, and inform and organise their workers to ensure they are getting fair wages and conditions.

### **Customers can make informed choices and hold brands to account**

Having information publicly available will allow a concerned customer to check where a brand makes its clothes and shoes, and whether the factories pay fair wages, allow unions to operate and manage safety risks.

The availability of this information will allow the development of user-friendly apps, websites and other comparison tools that will transform consumer choice.

Consumer organisations and other stakeholders can investigate and verify claims made by brands on their efforts to ensure fair and safe conditions.

### **How would it work?**

Greater transparency would identify the different actors within each supply chain, and hold all levels of the shoe industry responsible for upholding human rights. From places where raw materials are processed, to the production sites where garments are made by workers, to brands and retailers that are selling products, and finally to consumers, data is needed.

Governments must also act. Precise state guidance and legislation is needed to make sure all brands make supplier information public and expand the scope of information to also include audit reports and corrective action plans.

## Annex 1: What does Transparency look like?

### Here's what we are specifically asking for:

#### From brands

1. Report annually on the impact of their activities throughout the supply chain on human rights, including explicit reporting on due diligence processes, policies, and on the effectiveness of their responses to address the adverse impacts of their activities, using measurable indicators;<sup>2</sup>
2. Disclose the names, addresses and contact details of supplier facilities, subcontracted suppliers and labour agents managing home-working facilities, on an annual basis or more frequently;
3. Recognise and regulate home workers in the supply chain
4. Publish social audit reports and assessment finding including: wage levels, risk assessments, audit inspections of suppliers, and corrective action plans.
5. Work alongside key stakeholders to report regularly on human rights impacts and their work towards protection, remedy, and remediation, where appropriate and in instances of adverse impact.
6. To increase leverage, companies must cooperate with industry peers to resolve the problems with lack of transparency and worker's safety within the leather sector and provide full transparency and involvement of worker's representatives within multi stakeholder and business initiatives.

#### On chromium

The leather and shoe industry must identify and remedy risks for workers and the environment in shoe production and tanning processes and regularly and publicly report on the remedies and processes used to ensure the safest way of production.

Companies must report on efforts to increase alternative tanning. If chromium tanning is used, companies must show use of state of the art technology.

#### European union and country governments (where brand headquarters are based)

1. Require that companies report, on an annual basis, on the effectiveness of their responses to address the adverse impacts of their activities on human rights, including in their supply chain.
2. Require that companies disclose the names, addresses, and contact details of their supplier facilities, all subcontracted suppliers and labour agents managing home-working facilities, at least on an annual basis.
3. Require that products sold within the jurisdiction are labelled to include a product code linked to a website that will provide information including supply chain traceability, employment statistics at the facility, economic information of the facility, pricing information

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<sup>2</sup> Information should include more specifically: Supply chain traceability (Production place / facilities addresses, intermediaries, importer, brand), Employment statistics at the facility (number of workers at the facility and percentage men/women; average wage of each grade, average monthly overtime, benefits given, registered union and/or CBA presence, employment relationship information by percentage), economic information of the facility (turnover, number of pieces sold, % of factory product sourced per brand, price breakdown structure) and product information (Chemical products used, Certifications obtained and certification bodies).

and product information.

4. Require that companies disclose their Human Right Risk Assessment findings, including wage levels, risk assessments, audit inspections of suppliers and corrective actions plans.

### **EU Directives and labels**

Revision of Directive 94/11/EC to include the type of tanning (chromium or other) for inclusion on shoe label.

2. Ensure that all EU level and national level 'Eco' labelling of shoes bans chromium use and conforms to significantly higher than industry average standard with transparent and consistent guidelines on health and safety, the environment, and worker representation in conformity to ILO standards and recommendations.

### **EU database**

Operate a standardised shipping database at an EU level which stores records for all exports and imports of cargo entering European ports, noting the class of cargo, the trading names of the companies involved, the point of origin, the value as an FOB price and quantity, and the ultimate destination and recipient, and make this available by access request. Good examples exist in the US and Canada. For example, the US Import Genius Database that presents information from the US Customs.

### **Producing country governments**

Governments of nation states where clothing, shoes and leather is produced have a duty under the UNGPs to make sure systems are in place to protect human rights. In our opinion, the promotion of this should include ensuring open and transparent data is available to encourage engagement in human rights protection and remedy.

Specifically: Require suppliers report on an annual basis on effectiveness of their responses to address the adverse impacts of their activities on human rights, supply chain traceability, employment statistics, economic information, and social audit reports.

### **Suppliers and manufacturers**

Suppliers as a primary employer have a direct responsibility to respect Human Rights in their facilities, and reporting on measures to ensure this is vital.

Specifically:

1. Disclose a buyer list, on an annual basis or more frequently;
2. Disclose the names, addresses and contact details of subcontractor facilities, and labour agents managing home working contracts, on an annual basis or more frequently;
3. Make available for the public social audit reports and information on: number of workers in each department and grade (including gender breakdown), number of migrant and juvenile workers, percentage turnover of workers, wage at each grade and by gender, number and percentage of short-term and/or contract workers, average overtime hours in a month, whether a collective bargaining agreement exists at the factory, existence of a worker complaint mechanism, number of grievances filed by workers, number of accidents causing injuries in the recent period, existence of a joint worker management committee to discuss grievances or complaints;
4. Appoint an individual at top level management responsible for social performance, and publish the contact information for this individual.

## Annex 2: What is Change Your Shoes?

Change Your Shoes is a European initiative which stands up for an ethical, sustainable, and transparent shoe supply chain. The footwear sector is a key part of the broader fashion industry. However, in contrast to the textile sector, the grievances of the production processes of the leather and shoe industry are largely unknown.

We work with people as consumers and citizens to demand better working conditions for the makers of our leather shoes. We carry out research on the working and environmental conditions in the leather and shoe production as a basis for the dialogue with EU citizens, decision-makers, and shoe brands. We also collaborate with trade unions and labour rights groups and support their struggles for better working conditions in production countries.

### **We believe:**

- 1) Workers in the shoe supply chain have the right to a living wage.
- 2) Workers in the shoe supply chain have the right to safe working conditions.
- 3) Consumers have the rights to safe products and clear information about the production of their shoes.

Change Your Shoes is a partnership of 15 European organizations and 3 Asian organisations plus 20 associates.

### **Partners**

Südwind Agentur – AUSTRIA  
Federación SETEM (SETEM) – SPAIN  
INKOTA-netzwerk e.V. – GERMANY  
Gender Education, Research and Technologies foundation (GERT) – BULGARIA  
NaZemi – CZECH REPUBLIC  
Globalization Monitor – HONG KONG SAR CHINA  
Trade Union Rights Centre (TURC) – INDONESIA  
Buy Responsibly Foundation (BRF) – POLAND  
Fair Trade Center (FTC) – SWEDEN  
Slovak Centre for Communication and Development (SCCD) – SLOVAKIA  
SÜDWIND e.V. – GERMANY  
Clean Clothes Campaign Denmark (CCCDK) – DENMARK  
Labour Behind the Label (LBL) – UK  
Umweltschutzorganisation GLOBAL 2000 – AUSTRIA  
Pro Ethical Trade Finland (PETF) – FINLAND  
Society for Labour and Development (SLD) – INDIA  
CENTRO NUOVO MODELLO DI SVILUPPO (SNMS)- ITALY  
FAIR – ITALY