



## Worker-Driven Transparency

**Worker-driven supply chain transparency moves beyond initiatives aimed at mitigating reputational risk and shifts perspective from consumers to workers. From workers' perspective transparency is about bringing them to the table as equals, sharing the information and providing the resources they need to ensure their safety and protect their rights.**

Supply chain transparency has become a legal requirement, an industry trend, and a subject of academic discourse and analysis. But it is too often limited by a narrow corporate-oriented objective: mitigating reputational risk. This objective often results in an equally restricted action plan that involves, first, a perfunctory admission that there is risk of harm to workers, environments, or communities in a company's global supply chain, and, second, a superficial publication about the steps the company is taking to detect and mitigate those risks.

Yet, this type of "consumer-driven" transparency—so called because it attempts to meet the concerns of consumers and investors who seek to avoid complicity in rights abuses—can have positive impact. It is increasingly difficult for consumer-facing and investor-sensitive companies to say and do nothing about rights violations in their global supply chains. For example, the Transparency in Supply Chains Provision of the UK Modern Slavery Act has helped ratchet up expectations for both commercial and public sector organisations to take effective action to protect workers in their supply chains. Institutions that until recently did not pay any heed to working conditions in their supply chains have developed policies on modern slavery and human trafficking, educated staff and other stakeholders about potential harms to workers, and developed tools to hold their suppliers accountable. They publish what they do in the form of Modern Slavery and Human Trafficking Statements on their websites.



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However, to the extent that supply chain transparency is solely a consumer-driven corporate risk management tool it is of limited use to workers. Managing corporate reputational risk is not the same as reducing workers' risk of being exploited and abused. Consumers hope that this connection exists—that workers in supply chains of companies that do not have a reputation sullied by human rights violations really do enjoy their human rights—but it cannot be assumed.

Indeed, disclosing information is not the same as being transparent. Information can obfuscate as much as it can clarify. Information does not automatically have social value because it is released.

### Transparency for whom?

Transparency driven by the rights and needs of workers to improve their working conditions and living standards is a different type of transparency. It is shaped by the priorities of those who are most vulnerable in global supply chains rather than those who control them. It is driven by the imperative to make constructive change, not by the fear of exposure. It demands attention to the resources—beyond information itself— necessary to create social value. It can result in new relations, on more equal terms, between workers, their employers and other supply chain actors. From workers' perspective, supply chain transparency is about access to the knowledge, information, and resources that make it possible for them to address problems in their own workplaces through dialogue and negotiation with their employers, by engaging with supportive organisations in their communities, and by reaching out to those further afield who can influence conditions in their supply chain.

### Transparency for what?

Worker-driven supply chain transparency recognises that:

- Workers have a need to know and, under many health and safety laws, a right to know about risks they may face in their own work places. For example, in the electronics industry, what are the possible health hazards associated with the chemicals that workers handle every day or the fumes from chemicals they do not handle directly? Do workers have access to information about the chemical inventories in their places of work and how to protect themselves against health and safety risks? When knowledge of chemical inventories remains hidden as trade secrets supply chain transparency is lacking for workers.
- Workers have a right to the information to determine whether or not their employer is respecting their rights. Do workers' payslips include all information necessary to allow them to determine if they have been paid properly? Do workers receive contracts that explain all employment terms in a language they can understand? Do employers provide workers with information about their full set of legal rights, including their right to join or form a union? If not, transparency is lacking for workers.



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- Workers should know what their employer knows and what the buyers know about rights violations in order to engage in meaningful dialogue to improve their workplaces. That means they need access to social audit findings of brand companies and investigatory findings of state inspectors. They should themselves be able to participate in the audit processes, from the design, through the inspections and interviews, to the concluding meetings. From workers' perspective transparency is not complete when social audit findings are proprietary to either employers or buyers and hidden from all others who could take action on the findings to improve their working conditions.
- Workers should know whether or not or to what extent the conditions in which they work are shaped by factors not entirely within their employer's control. In a global supply chain, lead firms—often brand name companies—may make sudden production demands that limit the capacity of employers to invest in safety or force them to adopt contingent employment practices with short-term or contracted workers. At the same time, parties down the supply chain from workers, including public-sector buyers, could exert a positive influence on conditions in their place of work through informed engagement with their suppliers. That means workers should be able to identify their employers' customers and trace the products they make down the supply chain, ideally all the way to the end user. When the linkages to their employers' customers are not disclosed, supply chain transparency is lacking for workers. And when purchasing practices are not a subject of dialogue with employers and workers, supply chain transparency is incomplete.

Access to information alone is not enough. If transparency is to be a means to social value, it must go along with the development of economic, institutional, legal, and educational resources, including the time and space, required for action. From workers' perspective supply chain transparency is not just about company reporting and disclosures. It is also about their own capacity to speak and act: to use the information they receive, report on their own observations, demand change, propose solutions, and negotiate with their employers. If workers do not have the space and time or institutional resources to understand and act on the information they receive, supply chain transparency is of little value to them. If they are afraid of speaking out about abuses they face, if they may be demoted or fired or punished in other ways for joining a union, if, in short, workers are silenced, this is also a failure of transparency.



## Long-term social value

Consumer-driven transparency is a start, but it should now become worker-driven. Rather than asking how to reassure socially conscious consumers and investors who demand transparency, companies should ask how to share the information and provide the resources that workers need to protect their rights and meet their needs. Companies should no longer view supply chain transparency as a quick fix to protect reputations and persuade customers and investors that they have nothing to hide. Instead they should understand the demand for transparency as an opportunity to create long-term social value of their enterprise, such as decent jobs, dignified working conditions, health and safety, and living wages. Worker-driven transparency is about bringing workers to the table as equals, sharing the information and providing the resources they need to ensure their safety, protect their rights, help improve conditions in their own workplaces, and safeguard the communities and environments in which they live. Worker-driven transparency is ultimately about a social transformation in which companies rethink the role and value of workers in their supply chains.

## Electronics Watch Policy Briefs

The Electronics Watch Policy Briefs offer insights and ideas on issues related to socially responsible and sustainable public procurement based on Electronics Watch's perspective as a labour rights monitoring organisation that places workers at the centre of its activities. The Policy Briefs aim to bring worker perspectives to the forefront of public debates and to contribute to more sustainable and just global supply chains in electronics and other areas.

Electronics Watch is an independent monitoring organisation that helps public sector buyers work together to meet their responsibility to protect the labour rights and safety of workers in their global electronics supply chains.

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