

SUMMARY REPORT

GBI Workshops on engaging suppliers in human rights due diligence in Mumbai and Bengaluru, India

August 2023

With the support of the Swiss Embassy in India, the Swiss Consulate General in Mumbai, and the Swissnex in India, Swiss Consulate General in Bengaluru, GBI organised two workshops for business practitioners in Mumbai and Bengaluru on Engaging Suppliers in Human Rights Due Diligence. The workshops were focused on three challenges related to engaging suppliers in human rights due diligence:

- 1) engaging with challenging suppliers;
- 2) getting Beyond Tier 1 in human rights due diligence; and
- 3) supplementing social audits.

The workshops included an overview of the changing legal landscape on business and human rights, including the Swiss legislation to conduct human rights due diligence for child labour and conflict minerals, and the implications for business practitioners in India, before a panel discussion where business practitioners shared their approaches to responding to the highlighted challenges. Participants also worked through a case study and engaged in a discussion to try and develop solutions for the identified challenges. We identified a few key takeaways for business practitioners from the discussions in Mumbai and Bengaluru.



In engaging with challenging suppliers, companies should “set them up for success.”

Engaging with suppliers can often be a challenging part of human rights due diligence. For many companies, the scale of their supply chains can be a challenge. Companies can encounter suppliers who are reluctant to engage in human rights due diligence. One company shared about the challenge to suppliers stemming from potential additional costs associated with company requests on human rights due diligence.

Some companies have identified cost-effective tools that help conduct human rights due diligence with suppliers at scale. In addition to tools, companies recognised the need to set suppliers up for success with capacity building to implement human rights due diligence in their operations. Some companies offer continuous training to suppliers, including during onboarding. One company shared about engaging with suppliers to encourage implementation of the

company's human rights policies, by explaining to the supplier the comparative advantage of implementing human rights. One practitioner shared that 100% compliance amongst suppliers was not possible, but that companies should seek to build capacity and engage with 80% of their suppliers and then see if they can bring the remaining 20% along. Practitioners encouraged long term engagement with suppliers to build their capacity.

Companies should consider supplementing social audits with additional tools to identify human rights risks in their supply chain.

Human rights due diligence is an ecosystem that includes social audits, but also encompasses additional tools and processes for companies to identify and address their potential or actual adverse human rights impacts. Practitioners recognised that since audits cannot capture the context, in some situations such as forced labour, they may only manage to capture the “tip of the iceberg.” Supplementing social audits with additional processes that allow companies to engage with stakeholders can help companies to better identify and address risks in their supply chain. Some companies use worker voice tools to engage with stakeholders to identify and understand key issues and trends in the supply chain to prevent and mitigate risks. Companies also recognised that grievance mechanisms can be an important tool to identify adverse human rights impacts.

It is important to remember though that one size does not fit all when it comes to tools. Companies are encouraged to try different tools and adapt them to fit their operating context. Using a mix of tools, including social audits, grievance mechanisms, and worker voice surveys can help companies to identify risks to people across their supply chain.



Getting beyond Tier 1 is challenging for many companies. However, as companies engage with suppliers, they can gain further visibility into their supply chain.

Companies which share suppliers can engage collectively to identify and address issues deeper in the supply chain. Some companies discussed engaging with direct suppliers to gather information about additional tiers in their supply chain. One way of doing this was by including clauses in supplier contracts to help access further tiers.



In terms of raw materials, companies mentioned engaging in initiatives that focus on specific raw materials to gain access to additional information and engage with other companies which source the material. Companies highlighted the importance of understanding the context where raw materials are sourced to develop appropriate measures and strategies.

Next steps

GBI continues to engage with business practitioners globally in discussions on implementing the UNGPs. If you have any questions about GBI's External Engagement work, please contact sophia.areias@gbihr.org.