



Workshop: How can companies take a better risk-based approach to due diligence?

14 February 2019, 13.00-15.30

Partners

Dutch agreement on Sustainable Garments and textiles (AGT) and Solidaridad Europe with support from the Norwegian Fashion Hub and SAC.

Objectives of the session

This session will:

- Explore the practical considerations for prioritising risks for action based on scale, scope and irremediable character;
- Identify ways in which stakeholders can support companies in taking a risk-based approach to due diligence;
- Give industry and stakeholders an opportunity to exchange experiences and perspectives, and increase stakeholders' understanding of the due diligence standards expected of companies and the challenges involved.

Background

Due diligence is risk-based meaning that companies should respond to the most severe risks and impacts in their supply chains first. This hands-on workshop will deep dive on the topic of prioritisation by examining a company risk assessment and examine how actions can be prioritised based on the scale, scope and irremediable character of the risks.

Workshop agenda

Time	Activity
13:00 – 13:30	Presentation of a real example of children's fashion brand Tumble 'N Dry 's risk analysis and prioritization
13:30 – 14:45	Small group moderated discussion on the case study and key discussion questions (see below)
14:45 -15:30	Findings shared amongst all participants.

For discussion

During the small group discussions, participants will refer to an example of a risk analysis presented by children's fashion brand [Tumble 'N Dry](#). Participants are asked to keep in mind the following:

The main sourcing countries and regions are;	The main materials are:	The main product groups are:
<ul style="list-style-type: none">• China (Guang Dong & Zhejiang)• India (Tamil Nadu)• Pakistan (Sindh)• Indonesia (Jawa Barat)	<ul style="list-style-type: none">• Cotton (73%)• Polyester (15%)• Polyamide (Nylon) (6%)• Elastane (spandex) (2%)• Viscose/Rayon (2%)• Other	<ul style="list-style-type: none">• Long sleeve• Pants• Sweater• Jeans• Jacket /blazer

Instructions

- Participants will be divided randomly into groups to walk through the case study.
- Representatives from AGT/Solidaridad/ Norwegian Fashion Hub/SAC will facilitate the discussion and share expectations on what effective risk-based due diligence looks like according to OECD recommendations.
- Session wrap up to discuss key lessons learned and questions raised between the different groups.
- Organisers will be available to answer questions and help direct discussions.

Discussion questions

The following questions will be addressed during the session.

- How can a company determine the severity of highly diverse risks (e.g. environment vs. labour risks) in practice?
 - How can a company prioritize action when several severe risks have been identified?
 - How can a company respond to severe risks that have no clear solutions?
- How can companies involve relevant stakeholders to prioritize? What can be the role of stakeholders to support companies in prioritizing and mitigating severe risks?
- How can companies find a balance between internal goals and addressing risks in their supply chain?

