

Outcomes of the ETI workshop on Supply chain workers and climate change: What do we need to do?

On 16th July 2019, ETI convened a member workshop to explore how we prepare for climate change impacts and environmental sustainability through the lens of Freedom of Association, collective bargaining and worker representation.

This note captures the relationship between the Base Code (labour standards) and climate change/environmental sustainability, headlines from group discussions, introduction to the Just Transition framework and ideas/recommendations from members on ways we could progress.

It was however evident that this topic is of concern to members and further in-depth work on shifting the conceptual paradigms and providing practical guidance on the Just Transition solution.

The workshop sought to explore:

- I. The implications of climate change and environmental sustainability for supply chain workers,
- II. Freedom of Association, collective bargaining and worker representation in workplace adaptation and mitigation initiatives, and
- III. Share the Just Transition framework – the bridge linking the concepts of labour/human rights and climate change.

BACKGROUND

The scale and breadth of the climate change discourse and global implications are well documented, promoted and tracked through all forms of media including country commitments via the Climate Action Trackerⁱ. Two pertinent critical areas for supply chain operations would be:

- I. reduction of carbon emissions linked to energy usage and overall industrial strategy (ie, moving away from fossil fuel dependency), and
- II. environmental sustainability ranging from loss of biodiversity to future resource scarcity.

Coupled to this is UK legislation, the 2008 Climate Change Actⁱⁱ and the introduction of regulation and reporting requirementsⁱⁱⁱ such as mandatory greenhouse gas (GHG) reporting for quoted companies, the Energy Saving Opportunity Scheme (ESOS), Climate Change Agreements (CCA) Scheme, and the EU Emissions Trading Scheme (ETS). In the pipeline is also a call to introduce a mandatory requirement for listed companies and pension funds to disclose climate related risks from 2022^{iv}.

In addition, during the recent ETI future strategy consultation, climate change and environmental sustainability were highlighted as a major priority for ETI members and stakeholders associated with the ethical supply chain network.

RELATIONSHIP BETWEEN THE WORLD OF WORK AND CLIMATE CHANGE

In an ILO report^v prepared for the G20 Climate Sustainability Working Group (CSWG), under the Argentine G20 Presidency in 2018 identifies three key aspects as pertinent to understanding the relationship between the two. They are:

- Jobs and employment that rely on the services that ecosystems provide, for example, jobs in agriculture, fisheries, forestry and tourism. Climate change threatens many of these industries and the jobs that rely on them. According to the research, in 2014, around 1.2 billion jobs, accounting for 40% of total world employment, were sustained by industries that depend directly or heavily on ecosystem services
- Good working conditions rely on the absence of environmental hazards such as storms, air pollution, maintaining temperatures and predictable precipitation patterns. Climatic changes, may render entire regions unproductive and make workplaces too hot for work, thereby leading to climate induced migration, the proliferation of precarious and informal work, and an increase in unemployment.
- The risks and hazards associated with environmental degradation that tend to affect vulnerable workers the most, including women, migrant workers, people in poverty, indigenous and tribal peoples, persons with disabilities and other disadvantaged groups depending on the country or region.

BRIDGING THE CONCEPTUAL DIVIDE - JUST TRANSITION FRAMEWORK

The Just Transition framework is built around the idea that the coming transition will have a huge effect on workers and communities. It was developed by the trade union movement and civil society organisations to secure workers' jobs and livelihoods.

The Just Transition is a process involving unions, employers and sometimes governments and/or communities, planning and delivering the transition of economies, sectors and companies to low carbon, socially just and environmentally substantiable activities.

Embedded in the core labour standards or human rights @ work it promotes the consultation/dialogue between worker representatives and employers. A key element is involving workers in forecasting and decision making on changes to workplace practices. It is also:

- A platform for innovation recognising that workers are masters of their process

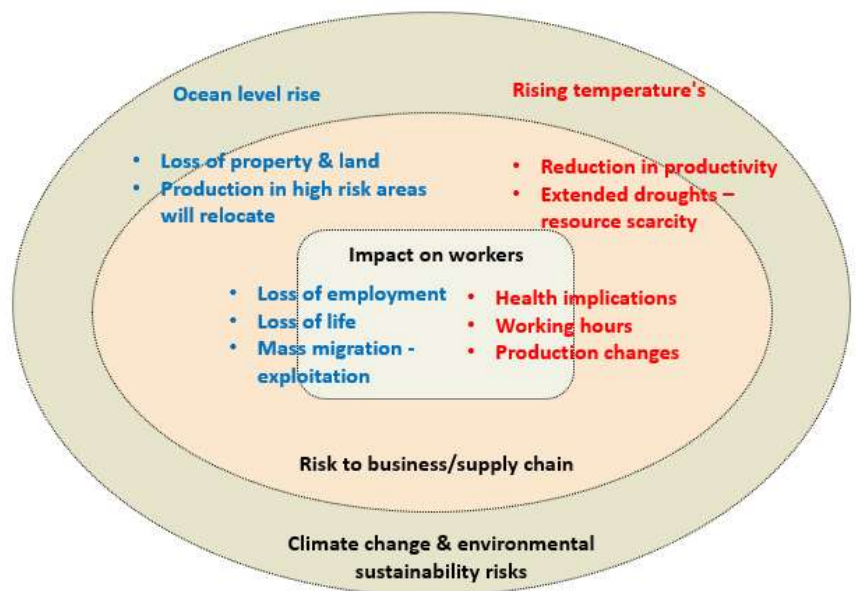
- Includes worker education, upskilling and re-skilling
- Encourages job creation, decent work, development and poverty reduction

International labour standards on which the ETI base code is based, can strengthen adaptation frameworks by providing the legal foundation for addressing rising inequality and the increasing vulnerability of workers and enterprises in the face of climate change, as well as for enhancing the adaptive capacity of communities.

WORKSHOP DISCUSSION

In broad terms we mapped headline global climate change risks to potential risks to business and supply chains and then to workers – a snapshot outlined in the graphic to the right.

The second exercise identified risks to ETI category groups, for example, manufacturing (textile, apparel and hard goods) and food, farming and fisheries.



Through case studies we explored the need for consultation with workers and their elected representatives as businesses adapt and prepare for climate change impacts. This includes the transition to low carbon energy and water efficient industries, introduction of mechanisation and changing working patterns to adapt for example, to high temperatures and extended drought.

UNLOCKING POTENTIAL: ELECTED REPRESENTATIVES

Just as unions and employers work together to improve health and safety in the workplace, elected representatives can also champion environmental issues at work. Provided they have the freedom to associate and organise, they can work together with employers to identify future climate adaptation and/or mitigation initiatives. Elected representatives can encourage positive behaviours to minimise consumption, optimise resources, source materials sustainably and dispose of waste.

The UK's trade union movement developed the role of a workplace elected official dedicated to climate change and environmental activity. Through initial project work, the power of collective action to address climate change challenges, recognise the collective voice of workers and improve environmental performance in workplaces demonstrated both financial and wellbeing benefits. For example, the National Library of Scotland carbon reduction plan^{vi} over the lifetime of a three year project reduced carbon emissions by 623 tonnes and saved £75k on energy bills per year.

In workplaces of all types, including industrial, ship building and manufacturing settings, elected trade union representatives either initiated activity or worked with employers on a range of related issues, including, for example:

- Production processes and working practices including energy usage and carbon audits of machinery,
- Lighting, electrical equipment, heating, cooling, ventilation and insulation
- Chemicals – uses and disposal
- Reduce, re-use, recycle – including food type and preparation for canteens
- Water usage and savings
- Carbon offsetting – through biodiversity improvements, for example sedum roofs

HOW CAN ETI SUPPORT MEMBERS?

Members identified the following ideas for potential future work with recommendations on how we support members wanting to include Just Transition principles in progressing Freedom of Association, collective bargaining and progressing worker representation so that workers have a voice as their workplaces and employment is affected by climatic changes.

- Scenario mapping of the most impacted regions and workers in scenario of 1, 2, 3 degree temp rise and link this to mapping of salient issues where workers are at risk of labour abuse. This could also be linked to Greening Finance for joined up governance.
- Guidance on aligning company reporting to the SDGs as the SDGs represent an intersection of environmental sustainability, social issues and Decent Work (labour standards). This would support a framework to set business objectives.
- Develop the business case for companies and suppliers for action that includes worker involvement and consultation. This to include case studies of good practice – particularly from sourcing countries. Unions and businesses are aligned on the importance of climate change going forward, this is the time to harness this rarity!
- Training for procurement, CSR and sustainability teams.
- Integrated reporting to instil the cross-over between the issues further by including a sustainability lens in ETI reports, and a worker's lens in other environmental reporting MSIs.
- Advocacy to raise Just Transition as a recommended methodology within legislation and as a solution to supply chain climate chain adaptation and mitigation.

CONSIDERATIONS FOR ETI MEMBERS

If we then consider the climate change commitments countries have signed up to, we start to see plans across the globe to reduce carbon emissions that impact industry and ultimately the workers invested in and associated with industries. Therefore, we need to consider how we:

- Use the ETI base code clause two to support workers in supply chains as sourcing countries adopt and implement carbon reduction strategies and legislation,
- Harmonise reporting by linking climate change company reporting requirements to the ETI reporting system,

- Continue to support workers access their rights and protections at work as employers embrace or introduce energy, water and waste reduction policies, change working practices with the introduction of mechanisation or indeed as whole sectors change as a result of climate impacts.

ⁱ Global climate tracker <https://climateactiontracker.org/countries/>

ⁱⁱ Climate Change Act 2008 <https://www.theccc.org.uk/tackling-climate-change/the-legal-landscape/the-climate-change-act/>

ⁱⁱⁱ Carbon Trust brief on company reporting requirements <https://www.carbontrust.com/news/2019/04/secr-uk-business-streamlined-energy-carbon-reporting-framework/>

^{iv} Financial Times 2/07/2019 <https://www.ft.com/content/59086538-9c24-11e9-b8ce-8b459ed04726>

^v ILO report on The employment impact of climate adaptation https://www.ilo.org/global/topics/green-jobs/WCMS_645572/lang--en/index.htm

^{vi} Carbon Trust and TUC case study <https://www.carbontrust.com/our-clients/n/national-library-of-scotland/>