

FARM LABOR DUE DILIGENCE TOOLKIT

Maturity Benchmarking Tool



Verité
Fair Labor. Worldwide.

Acknowledgements

The Farm Labor Due Diligence Maturity Benchmarking Tool is a publication of the Verité Farm Labor Due Diligence Initiative (FLDDI), which develops practical human rights due diligence guidance and associated tools tailored to global agricultural supply chains.

Verité established the FLDDI during the ILO's International Year for the Elimination of Child Labour, as an Action Pledge to disseminate learnings from our long-term collaborations on farm labor due diligence with private sector partners such as Philip Morris International and Mars Incorporated.

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Understanding Farm Labor Due Diligence

Labor rights due diligence in agriculture is not inherently different from other forms of human rights due diligence (HRDD). The framework used in the Verité Farm Labor Due Diligence Toolkit aligns with and builds on the OECD Due Diligence Guidance for Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD-FAO Guidance for Responsible Agricultural Supply Chains, and other guiding HRDD touchstones.

The framework comprises six top-level elements, each with supporting components that represent specific action steps or areas of effort. The elements are:

- Embed Human Rights in Business Management Systems**
- Assess Human Rights Risks & Harms**
- Cease, Prevent & Mitigate Human Rights Risks & Harms**
- Track & Improve Human Rights Performance**
- Remediate Human Rights Harms**
- Report on Progress**

Implementation of comprehensive due diligence can be challenging when the raw materials being sourced are traded as global commodities or highly dependent on artisanal or smallholder production, as is common for agricultural products like coffee, cocoa, palm oil, cotton, tobacco, and sugarcane. The HRDD framework in the Verité Farm Labor Due Diligence Toolkit has been tailored to the characteristics of global agricultural commodity supply chains, and includes specific guidance for suppliers in the “first mile” from farm level to first point of crop aggregation.



The Maturity Benchmarking Tool

The Verité Farm Labor Due Diligence Maturity Benchmarking Tool outlines pathways for progress from “Basic” to “Established” to “Leadership” for each aspect of a company’s farm labor due diligence system. Companies can use the tool to evaluate their existing due diligence system maturity, identify gaps and opportunities, and prioritize efforts and investments.

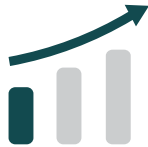
Companies often develop different parts of their human rights due diligence (HRDD) systems at different speeds. Many of these parts depend on each other, so progress in one area might only happen after another area reaches a certain level of maturity. It is important to remember that HRDD is an ongoing process. Even when a company reaches an advanced level, the imperative for continuous improvement remains. Companies should think of HRDD as a permanent, integral part of doing business, just like other critical business functions.

The full Verité Farm Labor Due Diligence Toolkit (forthcoming September 2024) offers step-by-step guidance on advancing maturity across all due diligence system elements.

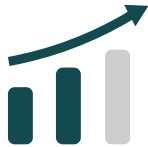
Using the Benchmarking Tool

The tool is divided into sections for each top-level element of the HRDD framework, indicated by colored tabs at the top of each page of the Maturity Benchmarking Tool. The icons below are used to demarcate different maturity levels for each component of the framework’s elements.

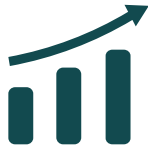




BASIC



ESTABLISHED



LEADERSHIP

Components

1.1
Policies & Performance Standards

The company has a policy that includes commitments to respect human rights and comply with international labor standards and local laws, and it has communicated the policy to its suppliers through a code of conduct.

In addition to “Basic,” the company fully aligns its existing human rights policy and code of conduct with customer and industry good practices, and it adds an explicit commitment to doing human rights due diligence (HRDD).

In addition to “Established,” the company works with suppliers to ensure they understand how to implement requirements in practice, and it engages stakeholders in the policy updating process.

1.2
Governance & Oversight

The company has assigned accountability for human rights performance to a senior executive and/or the Board of Directors.

In addition to “Basic,” review of the company's human rights performance is a routine activity for executive leadership and the Board. Responsible managers and relevant functional staff are evaluated on their performance in implementing the human rights policy.

In addition to “Established,” the company makes human rights performance an integral part of its executive and Board compensation schemes, and it ensures that other elements of executive compensation, such as total shareholder return, do not incentivize decisions that compromise human rights.

1.3
Procurement Practices

The company has human rights requirements that are clearly and consistently communicated to suppliers in contracts and purchase agreements, and procurement staff understand the requirements and know how to apply them.

In addition to “Basic,” the company is actively addressing existing procurement practices that disincentivize human rights performance. The company's procurement function has systematically integrated supplier human rights performance into its decision-making.

In addition to “Established,” the company routinely evaluates the impact of its procurement practices on the human rights performance of its suppliers, including first-mile farmers. It uses that information to improve its procurement practices and supplier incentives and to measure the performance of its procurement staff.



BASIC



ESTABLISHED



LEADERSHIP

Components




1.4
Internal
Capability

The company has a human rights team in place with clear roles and responsibilities. The team is developing information systems to record and track HRDD related data, and it is connecting with other business units about HRDD implementation.

In addition to “Basic,” the company continues to build the capability of its human rights team and relevant business units to support HRDD implementation, including data systems.




In addition to “Established,” the company has committed to maintaining a human rights team that can manage its HRDD system indefinitely, including in key sourcing countries. The company's HRDD information systems are fully functioning and can provide actionable data on human rights performance.



EMBED		ASSESS	CEASE, PREVENT & MITIGATE	TRACK	REMEDiate	REPORT
Components		<div></div> <div>BASIC</div>	<div></div> <div>ESTABLISHED</div>	<div></div> <div>LEADERSHIP</div>		
2.1 Supply Chain Mapping	The company has identified its Tier 1 suppliers and is gathering location and basic workforce information about supplier operations and supply chains.	In addition to "Basic," the company requires its suppliers to map their supply chains and to collect location and basic workforce information about them.	In addition to "Established," the company has verifiable information about the origins of all commodities it sources, and it can access information about producers and workers in its supply chains in order to evaluate and control human rights risks.			
	2.2 Saliency Assessment	The company has prepared for and resourced an assessment of its human rights risks to identify its salient issues, and it has identified commodities and geographies of focus.	In addition to "Basic," the company has completed a saliency assessment and identified the most salient human rights risks in its operations and supply chains.	In addition to "Established," the company updates its saliency analysis regularly and ensures that its understanding of its human rights risks is updated whenever there are significant changes in operations, supply chains, or laws and regulations.		
	2.3 In-Depth Assessment of Risks & Harms	Using information from the supply chain mapping and saliency assessment, the company has determined where a greater understanding of its risks is needed, and it has chosen an approach to in-depth assessments.	In addition to "Basic," the company has carried out in-depth human rights risk assessments in some key prioritized commodities and geographies, giving it a detailed understanding of the salient human rights risks and harms in those contexts.	In addition to "Established," the company routinely reviews and updates its in-depth risk assessment methodologies, repeats assessments in high-risk or changing supply chain contexts, and conducts in-depth assessments on additional issues, commodities, and geographies.		




Verité Farm Labor Due Diligence Toolkit | v.1

7

EMBED		ASSESS	CEASE, PREVENT & MITIGATE	TRACK	REMEDiate	REPORT
Components		 BASIC	 ESTABLISHED	 LEADERSHIP		
3.1 Strategy & Objectives	The company uses the insights from its assessment of risks and harms to define its priorities for action and core objectives related to human rights.		In addition to "Basic," the company has a human rights strategy in place that incorporates stakeholder consultation, and it is implementing the strategy.		In addition to "Established," the company routinely evaluates the sufficiency of its human rights strategy to drive impact and updates its priorities, objectives, and resourcing as necessary.	
	The company has developed high-level key performance indicators (KPIs) to measure progress toward its human rights objectives and its impact on salient issues. It has set targets for each indicator.		In addition to "Basic," the company has built out its KPI framework to include supporting indicators and targets to drive progress on HRDD implementation and impact.		In addition to "Established," the company actively uses impact indicators and targets to drive continual improvement in the effectiveness of its HRDD system at reducing risks and harms associated with its salient issues.	
	The company has developed action plans to implement its human rights strategy and achieve its objectives in prioritized commodities and geographies.		In addition to "Basic," the company is implementing action plans for its highest priority commodities and geographies, building awareness and capability among suppliers and other partners.		In addition to "Established," the company is well advanced in implementing impact-focused action plans, and it is expanding action planning to additional at-risk suppliers, commodities, and geographies.	
	The company has examined its business practices to determine if any are contributing to human rights risks and harms, and it has prioritized improvement actions.		In addition to "Basic," the company has secured senior management endorsement and buy-in from affected departments, and it has implemented changes to business practices that had been causing or contributing to human rights harms.		In addition to "Established," the company routinely reviews and revises business practices that cause or contribute to human rights risks and harms, and it implements additional practices that have direct positive impacts on farmers and workers.	




Verité Farm Labor Due Diligence Toolkit | v.1

8

EMBED		ASSESS	CEASE, PREVENT & MITIGATE	TRACK	REMEDiate	REPORT
Components		 BASIC	 ESTABLISHED	 LEADERSHIP		
3.5 Capability Building for Suppliers	The company has conducted an assessment across its supplier base and uses it to prioritize specific groups of suppliers for training and to identify learning objectives for each group. It has begun providing basic-level training to some suppliers.	In addition to “Basic,” the company is building the skills and capabilities of key suppliers, enabling them to implement effective human rights due diligence of their own operations and supply chains.	In addition to “Established,” the company is building the capabilities of suppliers in all priority commodities and geographies, enabling suppliers to self-manage human rights risks and harms. Training is updated as needed to reflect supplier performance challenges and changes in risk profiles and regulatory requirements.			
	3.6 Capability Building in the First Mile	As part of its supplier assessment process, the company has identified the first mile operations in its supply chain that are most in need of capability building, and set key learning objectives for those operations. It has developed training plans and begun rolling out training to some first mile operations.	In addition to “Basic,” the company (and/or its supplier) continues to train first mile operations, building their capacity to implement effective human rights due diligence in their own operations and supply chains.	In addition to “Established,” the target audience for training extends beyond first mile operations to other actors in the first mile, such as farmers who supply to the first mile operation, labor recruiters, and farm workers. Capability building also continues for first mile operations, with training curricula updated as needed.		
	3.7 Collaboration for Prevention & Mitigation	Based on its assessments and supplier evaluations, the company has identified which human rights risks and supplier-related risks it has the leverage to address by itself, and which will require collaboration, such as through multi-stakeholder initiatives, industry groups, or government engagement.	In addition to “Basic,” the company has identified collaborations that will help it achieve its human rights objectives, and it has started engaging with the relevant partners and/or joining existing initiatives.	In addition to “Established,” the company is an active member of one or more collaborative initiative(s) and commits funds and resources to ensuring their success.		

Verité Farm Labor Due Diligence Toolkit | v.1

9

EMBED		ASSESS	CEASE, PREVENT & MITIGATE	TRACK	REMEDiate	REPORT
Components		 BASIC	 ESTABLISHED	 LEADERSHIP		
4.1 Grievance Mechanisms	The company has a grievance mechanism in place for complaints related to its own operations and has personnel in place to receive and handle grievances. It also requires its suppliers to have grievance mechanisms.	In addition to “Basic,” the company makes its own grievance mechanism accessible to more stakeholders in its supply chains, including in the first mile. It conducts deeper oversight of suppliers’ grievance mechanisms and explores possibilities for collaboration with peers and multi-stakeholder partners on grievance mechanisms.	In addition to “Established,” grievance mechanisms are in place in all high-risk commodities and geographies and are continually being improved. The company engages with industry peers, government, and/or civil society to promote access to grievance mechanisms and remedy for affected stakeholders. It actively engages relevant stakeholders to validate its approach and impact.			
	4.2 Monitoring of Suppliers	The company has set expectations for suppliers and is collecting data on their performance. It uses this data, and other sources of information as needed, to identify suppliers that require further monitoring.	In addition to “Basic,” the company is actively carrying out additional monitoring activities on suppliers with limited risk-management capabilities and those linked to prioritized commodities or geographies.	In addition to “Established,” active monitoring of suppliers is integrated into the company’s “business as usual.” Supplier performance data is regularly reviewed and used to inform supplier engagement and reinforce procurement decision-making.		
	4.3 Farm Monitoring & Auditing	The company makes key decisions about how farm-level monitoring will be done and secures necessary resources for monitoring. At the "Basic" level, a significant proportion of farm monitoring is often done through third party audits and/or certifications, prioritizing the company's highest-risk commodities and geographies.	In addition to “Basic,” farm monitoring/auditing is established and well-functioning, and the company increases the proportion of farm monitoring that is done internally. If the company continues to use third-party audits or certifications, it engages with providers to drive rigor in their approaches.	In addition to “Established,” the company has internal monitoring fully in place in its most at-risk commodities and geographies, shifting away from third-party audits and certifications. It engages an independent third party to verify the monitoring data.		

Verité Farm Labor Due Diligence Toolkit | v.110



BASIC



ESTABLISHED



LEADERSHIP

Components

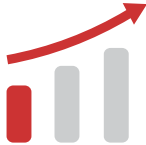
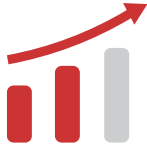
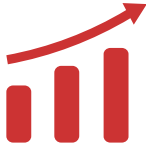
4.4
Continual
Improvement of
Due Diligence

The company is taking steps to examine the HRDD programs and systems it has in place, what is working well, and what is missing or not yet sufficiently developed.

In addition to "Basic," the company is working actively to close gaps in its HRDD management systems, address recurring issues, build the capacity of internal and external actors, and broaden the reach of its HRDD coverage.




The company is at an "Established" or "Leadership" level of maturity across all components of its HRDD system (benchmarked using this or a similar HRDD framework). It regularly reviews its progress and impact, seeking to drive the bar higher year on year.



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5.1 Response Protocols & Processes	The company has a response protocol in place, and relevant staff are prepared to use it. The company has communicated to suppliers their roles and responsibilities in implementing the protocol.		In addition to “Basic,” the company ensures that field staff and suppliers in its at-risk supply chains are prepared to use the response protocol, and it has provided them with relevant training. Relevant staff and suppliers are held accountable for implementing response and remedy processes.		In addition to “Established,” the company takes further steps to track and verify the implementation of response and remedy in its supply chains, including at the first mile level.	
	5.2 Remediation of Harms	The company, working with supplier(s) as appropriate, responds to human rights harms or grievances by creating and implementing corrective action plans. Corrective action plans should include both provision of remedy to affected persons and actions to prevent recurrence of the issue.		In addition to “Basic,” the company tracks and ensures that harms or grievances have been appropriately remediated and that steps have been taken to prevent recurrence. The company has engaged with stakeholders to understand root causes and appropriate forms of remediation and to verify that corrective actions and remedy have been effective.		In addition to “Established,” corrective action plans and remediation are effectively tracked and verified, and good performance is rewarded with incentives. The company and/or suppliers collaborate with government, civil society, and industry actors to develop or strengthen collaborative approaches to remediation and to address root causes of harms.

Verité Farm Labor Due Diligence Toolkit | v.1

12

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Components	<div>  <div>BASIC</div> </div> <div>  <div>ESTABLISHED</div> </div> <div>  <div>LEADERSHIP</div> </div>			
6.1 Supply Chain Transparency	The company is working internally to build buy-in and plan for public disclosure of supply chain mapping information.	In addition to “Basic,” the company is disclosing some supply chain mapping information.	In addition to “Established,” the company takes further steps toward best-practice transparency of its mapping data, including at the first mile level.	
6.2 Public Reporting on Implementation	The company publishes a report that meets regulatory HRDD requirements, discusses the company's HRDD system, and describes how it will measure progress toward full implementation of HRDD.	In addition to “Basic,” the company publicly reports on progress toward its high-level HRDD implementation targets and begins to report publicly on some supporting indicators for its higher-risk commodities and geographies.	In addition to "Established," the company regularly and transparently reports on progress against targets for implementation of HRDD, covering all salient issues and at-risk supply chains. It participates in and aligns reporting practices with best-practice initiatives and frameworks.	
6.3 Public Reporting on Impact	The company publicly reports the salient human rights risks in its operations and supply chains and the at-risk commodities and geographies where it is focusing its efforts to drive impact.	In addition to “Basic,” the company regularly reports on its impact on salient issues in its operations and prioritized at-risk commodities and geographies.	In addition to "Established," the company also reports on some of its supporting impact indicators related to prioritized at-risk commodities and geographies. It participates in initiatives to drive transparent reporting on human rights impact across companies and sectors.	