FARM LABOR DUE DILIGENCE TOOLKIT

Embed Human Rights in Business Management Systems

1

Verité

Fair Labor. Worldwide.

Acknowledgements

The Farm Labor Due Diligence Toolkit 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.

Verité is grateful for financial and technical support for the development of the Farm Labor Due Diligence Initiative from Cargill, ECOM, Fairtrade International, Jacobs Douwe Egberts, Mars, Incorporated, McDonald's Corporation, Philip Morris International, and Rainforest Alliance. We would also like to acknowledge insights gained from collaborations with many other food and beverage and apparel companies, civil society organizations, certification standards, and multistakeholder initiatives — all of which inform our understanding of comprehensive human rights due diligence in agriculture.

Cover photo: Manzrussali/Shutterstock

Understanding Farm Labor Due Diligence

Labor rights due diligence in agriculture is not inherently different from human rights due diligence (HRDD) in other sectors. 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.

How to Use This Guidance Document

The Verité Farm Labor Due Diligence Toolkit contains separate guidance tools for each of the six top-level elements of human rights due diligence. Each tool begins with a brief element overview and explains the role the element plays within the overall HRDD system.

The main body of each tool defines the core components that make up the element, and outlines practical pathways to implement and improve these components over time. Three maturity levels are described for each component – Basic, Established, and Leadership – represented by the icons below. For each level of each component, the toolkit describes what a company at that level of maturity should have in place, and suggests key actions the company can take to get there. A summary benchmarking tool, and a curated list of additional resources, are included at the end of each element.

It is important to note that companies often develop different parts of their 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. All stakeholders should remember that HRDD is an ongoing process. Even when a company reaches a leadership 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.

BASIC

ESTABLISHED

LEADERSHIP

/857902O1/Adobe Stock

1 Embed Human Rights in Business Management Systems

Components of This Element

1.1 Policies & Performance Standards

1.2 Governance & Oversight

1.3 Procurement Practices

1.4 Internal Capability

Embedding human rights into a company's management systems means making consideration of human rights an integral part of the company's business culture and day-to-day operations, similar to other core business priorities such as efficiency, quality, cost, and environmental sustainability. Companies must establish clear, unambiguous policy commitments to respect human rights in their own operations and throughout their supply chains. They should integrate these policy commitments into their ways of operating by establishing executive-level accountability for achieving policy objectives, incorporating human rights into core systems and processes—such as procurement, production, human resources, and supply chain management—and putting in place formal governance processes. This integration requires building internal capabilities and allocating adequate resources to ensure that human rights commitments are achieved.

Because the most serious human rights harms often occur in the first mile of supply chains—that is, the first point of aggregation of raw materials, often from smallholder or artisanal farmers—special attention should be paid to embedding respect for human rights at that point in the chain. First mile operations such as primary aggregators and processors of raw commodities—mills processing raw sugarcane, fresh oil palm fruit bunches, and coffee cherries; cocoa farmer cooperatives; fresh fruit packing facilities; etc.—are crucial frontline participants in ensuring that supply chains are free of harms such as child labor, unsafe chemical use, and forced labor of migrants. Companies reliant on inputs sourced from first mile operations have an obligation to support them in establishing systems and processes to protect their workers, farmers, and communities from harms associated with global supply chains. Food, beverage, and agriculture companies are increasingly being held accountable for the performance of first mile operations on human rights, and should therefore be expected to see and report on that performance as part of their own systems and processes.

1.1 Policies & Performance Standards

A company's commitment to respect human rights should start with a public statement of policy. Developing a policy statement involves planning and both internal and external consultation. This development process is about more than simply creating a document for use externally; it is an opportunity to build consensus internally around the company's responsibility to respect human rights.

A policy statement should explain how the company understands its responsibility to respect human rights. It should set clear performance expectations (standards) for those who are expected to adhere to or implement the policy, such as the company's own workforce, its suppliers, and other business partners.

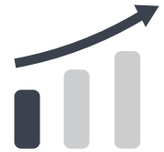
The policy scope should include commitments to comply with international human rights standards such as the ILO Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights, and all other applicable international standards and national and local laws. Initially, the policy might target the company's own operations and its direct suppliers, but the scope should ultimately reach all the way to the first mile of agricultural supply chains. The company should cascade its policy to Tier 1 suppliers through performance standards, often called a supplier code of conduct, and also require that those standards be cascaded to the next tier of suppliers.

Companies could also choose to develop policies on specific human rights issues such as child labor or forced labor, or for specific commodities (e.g. cocoa, palm oil) or sectors (e.g. agriculture, seafood). Such policies might include more detailed performance standards relevant to the issue, commodity, or sector. These issue-specific policies could be helpful for driving progress on specific human rights priorities, but all policies should align with those established at the enterprise level.

Jerry Horbert/Shutterstock

1.1 Policies & Performance Standards

Basic



At this maturity level

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.

At the "Basic" maturity level, companies should have policy commitments focused on their own operations and direct suppliers (i.e., Tier 1 suppliers). The content of the policy should be based on legal compliance and core international labor and human rights standards. The company's code of conduct should include both policy principles and related performance standards to define what is meant by compliance.

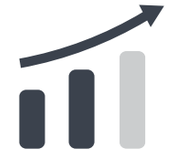
It is vital to have at least one person at the senior management level involved in the process. This person(s) should secure the resources needed for policy development and build formal commitment from the company's most senior executive(s).

How to get there

1. Assign someone to lead policy development
2. Form a cross-functional team to gather information and draft policy
3. Review peer and customer policies and codes of conduct, along with any human rights commitments already made by the company
4. Draft the policy and code of conduct, incorporating input from a sampling of key external stakeholders such as major customers and Tier 1 suppliers
5. Secure buy-in and sign-off from senior leadership
6. Communicate the policy and code of conduct to internal staff, customers, Tier 1 suppliers, and other relevant external stakeholders

1.1 Policies & Performance Standards

Established



At this maturity level

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).

At the "Established" level, the company's policy commitments should be broadened to go beyond legal compliance and core international labor and human rights standards, to align explicitly with the most protective customer and industry codes of conduct and expectations of good practice. For example, the policy might go beyond simply prohibiting forced labor, to prohibiting any worker-paid recruitment fees or costs.

The policy should also be expanded to make an explicit commitment to carrying out HRDD in alignment with applicable laws and international best practice frameworks.

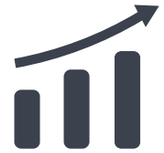
The policy commitments should extend beyond the company's own operations and Tier 1 suppliers to all levels of the supply chain. The company should require that suppliers cascade requirements to their own suppliers and perform their own due diligence. Additionally, the policy should include a commitment to source only from suppliers that adhere to the company's human rights policy.

How to get there

1. Benchmark the company's policy and code against customer requirements and industry best practices, and strengthen as needed
2. Add an explicit commitment to doing HRDD
3. Add a requirement that suppliers do HRDD in their own supply chains, including at the first mile level
4. Communicate updated policies and requirements to Tier 1 suppliers
5. Engage actively with Tier 1 suppliers to ensure that policy requirements are understood

1.1 Policies & Performance Standards

Leadership



At this maturity level

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.

At the "Leadership" level, the company's policy commitments would have specific performance requirements and due diligence process expectations for suppliers related to all human rights issues.

At this level, the company may choose to create different levels of performance that range from non-negotiable requirements that all suppliers must have in place immediately, to best practices that a supplier can implement over time.

The company should implemented a procedure to develop and update the policy periodically, including engagement with affected stakeholders.

How to get there

1. Develop and communicate improvement pathways for suppliers corresponding to each policy requirement, including measurable standards where possible
2. Engage relevant internal and external stakeholders in periodic review of the policy and code of conduct, and revise as necessary

1.2 Governance & Oversight

In order to ensure that policies are upheld in practice, companies should establish governance and oversight processes for human rights performance similar to those used for other core business strategies and goals. This includes assigning senior leadership formal accountability for human rights performance.

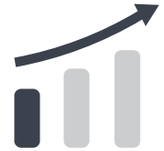
Senior leadership is critical in ensuring that human rights are accepted as an important issue by everyone in the company and embedded in corporate culture. Executive managers should be responsible for sending a clear message about the company's human rights commitments to staff across the organization. They should empower procurement staff and others to set clear expectations in their dealings with suppliers whose practices can impact human rights. Because "what gets measured gets done," executive performance should be evaluated and compensated, in part, based on the company's human rights performance.

In addition to guiding a company's business strategy, the Board of Directors is also accountable for monitoring executive management's performance and achieving the organization's strategic objectives, including human rights-related objectives. This should entail overseeing the human rights due diligence system and systems designed to ensure the company complies with applicable laws, customer requirements, and the organization's stated commitments. Leading companies have found it useful to explicitly articulate these responsibilities and accountabilities of the Board and executive management.

Ultrakwang/Shutterstock

1.2 Governance & Oversight

Basic



At this maturity level

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

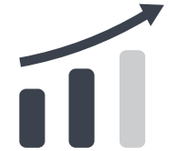
At the "Basic" maturity level, the company should identify specific people/executive roles with clear responsibility and accountability for achieving the company's human rights commitments. For companies with Boards of Directors, human rights governance should be made a formal role for a Board committee.

How to get there

1. Assign accountability for achieving human rights commitments to a senior executive and implementation responsibilities to relevant senior staff
2. Assign oversight responsibility to the Board of Directors, and ensure clarity on how this will be carried out

1.2 Governance & Oversight

Established



At this maturity level

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.

At the "Established" level, the company should ensure that staff—from executive level to functional level—are held accountable for their roles in implementing the human rights policy.

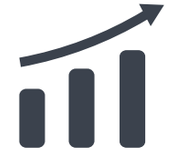
Additionally, executive management and the Board of Directors should perform an annual review of the suitability and performance of its HRDD system.

How to get there

1. Establish an annual review of company human rights performance by executive management and the Board of Directors
2. Include human rights implementation roles in relevant executive, manager, and functional staff (e.g., procurement) position plans and job descriptions
3. Include achievement of human rights policy commitments in the performance evaluations of relevant executives, managers, and functional staff

1.2 Governance & Oversight

Leadership



At this maturity level

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.

At the "Leadership" level, the company's executive-level variable compensation schemes and performance incentives should be linked to the company's salient human rights issues.

In addition to executive-level incentives, the company should ensure that there are no management performance incentives that require or promote behaviors that compromise respect for human rights anywhere in the company's operations or supply chains.

How to get there

1. Include the company's human rights performance in calculations of executive management variable compensation
2. Ensure management performance incentives reinforce achievement of human rights policy commitments
3. Ensure that performance incentives for procurement executives are tied to supplier human rights performance

1.3 Procurement Practices

A company's procurement practices can significantly affect how well workers' human rights are respected upstream in its supply chains, including in the first mile. Procurement practices, such as forecasting of orders for suppliers, price negotiations, premium payments, duration of supplier relationships, traceability requirements, and leadtimes and order changes, can all affect suppliers' ability to meet legal and policy requirements related to human rights.

Once a company has stated its policy commitments to human rights, it should begin to align its procurement practices with those commitments. This means:

- ensuring human rights performance standards are reflected in supplier contracts and purchase agreements;
- sourcing from suppliers and contractors that are committed to meeting the company's policy requirements; and
- providing incentives to suppliers for meeting performance standards and disincentives for those falling short.

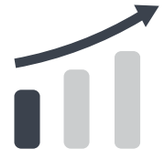
Simply stated, the way a company procures products and services should support—not hinder—a supplier's ability to meet human rights requirements. Rewards and recognition for procurement staff should be designed to make sure that they do not inadvertently incentivize the wrong behavior, such as paying procurement staff a bonus for negotiating shorter delivery deadlines or lower prices, if it means the supplier will have to cut corners in a way that results in human rights harms.

Because of significant downward price pressure across the sector, buying agricultural commodities at the "market price" typically does not provide farmers enough margin to pay their workers fairly, or to adequately respect other human rights, such as avoiding child labor. Companies could address this problem by paying a price premium to support the livelihoods of small farmers and workers, although tracking the delivery of premiums can be a challenge. Companies might choose to pay a premium for commodities that are certified under a recognized certification standard; some certification standards include requirements to pay a premium to support farmer incomes and fair wages for workers.

John Bill/Shutterstock

1.3 Procurement Practices

Basic



At this maturity level

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.

At the “Basic” maturity level, the company should put the building blocks in place to make purchasing decisions that are aligned with its human rights commitments. It should work to ensure that procurement teams have the knowledge and tools they need to evaluate and assess suppliers on their human rights performance and take appropriate action.

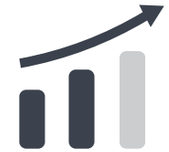
Although every agricultural certification and third-party audit program has limitations, at the "Basic" level, most companies have not yet put in place internal monitoring programs at the farm level in their agricultural supply chains. As such, certifications and auditing schemes play a role in helping the company uphold its human rights policy. It is important to examine the rigor of each scheme in relation to the company's salient human rights issues.

How to get there

1. Include a requirement to conform to the company's human rights policy, code of conduct and performance standards in contracts and purchase agreements
2. Ensure procurement staff are familiar with the policy and standards for suppliers
3. Develop procedures to help procurement staff incorporate a supplier's commitment and ability to meet the company's code of conduct into buying decisions whenever possible
4. In supply chains where the company does not do direct on-farm monitoring related to human rights issues, purchase products certified or audited under robust, credible schemes

1.3 Procurement Practices

Established



At this maturity level

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.

At the "Established" level, the company should have stopped using high risk procurement practices and implemented new practices that support suppliers' ability to meet human rights requirements. It should avoid sending suppliers mixed signals, such as requiring code compliance while at the same time negotiating for ever lower pricing.

The procurement organization should take active responsibility for the human rights performance of suppliers through pre-contracting due diligence (e.g., screening prospective suppliers for human rights risks), implementing procedures to incentivize supplier human rights performance (e.g., commodity price premiums), and discontinuing sourcing from poor performing suppliers.

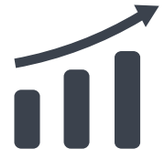
If sourcing certified products, the company should utilize best-practice certifications whenever possible, and actively engage with certification schemes to drive best-in-class human rights standards, auditing, and assurance.

How to get there

1. Identify and change any existing procurement practices that disincentivize procurement staff from achieving the company's human rights policy objectives or send suppliers mixed signals
2. Change sourcing practices that adversely impact a supplier's ability to comply with labor and human rights laws and policy and code of conduct requirements
3. Factor performance on human rights into evaluations of existing suppliers
4. Screen prospective suppliers in advance for human rights risks and their ability to manage them
5. Begin transitioning to longer term and more direct sourcing relationships with suppliers who have demonstrated good performance on human rights and traceability
6. If purchasing products certified or audited under third-party schemes, shift volumes to those with the most robust coverage of human rights and traceability, where possible

1.3 Procurement Practices

Leadership



At this maturity level

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.

At the "Leadership" level, the company should have fully implemented procurement practices that support suppliers' ability to meet labor and human rights requirements, and should evaluate the effectiveness of these measures on an ongoing basis.

Procurement teams should incentivize suppliers toward better human rights performance through such incentives as higher purchasing volumes and price premiums.

The company should shift toward longer-term, deeper-level impact on human rights through its sourcing practices, including through long-term, direct supplier relationships and by collaborating with partners and stakeholders on the issue of fair prices for agricultural commodities.

How to get there

1. Ensure suppliers are incentivized to drive human rights performance
2. Incentivize farmers to respect human rights
3. Phase out sourcing from auctions or suppliers with no ability to trace products to their source
4. Factor in supplier human rights compliance in evaluating procurement staff performance
5. Regularly review procurement practices and revise as needed to ensure they foster the desired behaviors in procurement staff and good human rights performance among suppliers

1.4 Internal Capability

In addition to executive- and board-level accountability for human rights due diligence, a dedicated team to carry out the day-to-day work should be established. Staff working on human rights due diligence often sit in the company's legal or sustainability departments, but they could also sit in the procurement function or in other business units. Regardless of location, this function should be sufficiently staffed and have the necessary resources to meet the company's objectives.

If the company sources significant volumes of key commodities from certain countries, it is good practice to place human rights personnel in those regional and country teams. Having human rights specialists enables teams on the ground to develop approaches that are tailored to local realities and operational needs. Investing in locally based human rights staff is a key way for companies to deepen their commitments to cascading their policies to the first mile of supply chains.

Some of the business units that should receive training and resources to fulfill their roles within the human rights due diligence system include:

- Sustainability team members, including those who work across sustainability issues (environmental, social, governance)
- Procurement teams (1.3 Procurement Practices)
- Supply chain/logistics teams that interact with suppliers
- Data teams that collect, manage, and/or provide data related to the company's human rights KPIs (3.1 Strategy and Objectives)
- Reporting and communications teams that produce the company's sustainability reports and ESG disclosures
- Legal colleagues involved in legally-required disclosures and ensuring compliance with relevant laws in all countries where the company operates
- Human resources colleagues, as the work relates to labor laws and protections in all countries where the company has employees
- Quality assurance teams
- Agricultural extension personnel

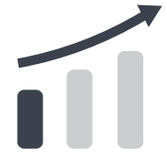
Training should be provided to these units to ensure they can fulfill their roles effectively. In addition, companies should ensure that the relevant business units have sufficient budgets to fulfill their functions.

Data systems are also a vital part of internal human rights due diligence capabilities. The human rights team needs to be able to count on data systems in which to enter, compile, and manage data, in order to analyze the progress of human rights due diligence implementation. Human rights due diligence data functionalities can be built into existing company systems or can be developed as separate systems.

Yaroslav Astakhov/Adobe Stock

1.4 Internal Capability

Basic



At this maturity level

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.

At the "Basic" maturity level, the company may have some human rights staff, but the team may be nascent. As the human rights team forms, its members should be provided training and support to be successful in their roles. The team should identify other staff in the company who need training on HRDD roles and responsibilities.

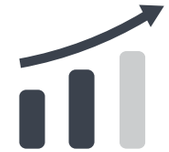
It is key for the human rights team to have a systematic way to capture HRDD information and data coming from different business units and origins. Existing IT systems can be adapted to capture HRDD data, such as food safety or quality assurance systems, or a new platform can be developed, in coordination with other relevant departments. In the end, what is important is not a particular technology, but that the team has a way to ensure that data is accessible and available for analysis.

How to get there

1. Secure internal buy-in and resources for setting up or expanding a human rights team/function
2. Establish clear team roles and responsibilities
3. Design and roll out training to enable human rights team members to be successful in their roles
4. Identify staff in other business units whose roles intersect with HRDD
5. Utilize the organization's existing IT systems or develop or obtain new ones to record and track HRDD related data and information

1.4 Internal Capability

Established



At this maturity level

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.

At the "Established" level, the company's human rights team should encompass not only headquarters-level staff, but also staff based in at-risk sourcing origins.

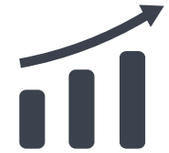
The team should be coordinating HRDD across business units. It should develop and provide training to relevant personnel on their HRDD responsibilities, such as training for quality control auditors or field agronomists on how to spot human rights red flags. Training curricula should be standardized and included in relevant staff onboarding or professional development programs, and outcomes from trainings should be captured and tracked over time.

How to get there

1. Invest in growing the capacity and capabilities of the human rights team/function as needed, both at the enterprise level and in at-risk sourcing regions
2. Provide training to staff in other relevant business functions on HRDD implementation and on collecting and reporting HRDD data
3. Institutionalize training programs for existing and new staff, both in the human rights team and in other units
4. Track learning outcomes from trainings on an ongoing basis, including how training participants apply what they have learned in their work

1.4 Internal Capability

Leadership



At this maturity level

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.

At the "Leadership" level, the human rights team should grow as needed to implement robust HRDD in all at-risk sourcing origins. Employees throughout the company should be aware of, and buy in to, the importance of human rights, and should take accountability for their roles in HRDD. The company's HRDD data systems should function well and be used actively by different business units.

How to get there

1. Continue to train and build the capacity of human rights team members, particularly in key sourcing countries
2. Consider designating human rights leads for key commodities
3. Maintain and continually improve HRDD information management systems

Maturity Benchmarking Tool

Components	 BASIC	 ESTABLISHED	 LEADERSHIP
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 ensures that other elements of executive compensation, such as total shareholder return, do not incentivize decisions that compromise human rights.

Components	BASIC	ESTABLISHED	LEADERSHIP
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.
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.

Further Resources

For guidance on establishing internal accountability for human rights, see Embedding Respect for Human Rights in the United Nations Guiding Principles Reporting Framework, an initiative of Shift and Forvis Mazars LLP.

1.1 Policies and Performance Standards

For instructions on how businesses can develop a human rights policy, see A Guide for Business: How to Develop a Human Rights Policy, by the United Nations Global Compact and the Office of the United Nations High Commissioner for Human Rights.

For an example of a code of conduct developed with worker participation, see Appendix C: Code of Conduct in the Fair Food Standards Council's 2021 Fair Food Program Report.

To understand how a company can align its policy commitments to the scope of its operations and supply chain, see principles 11 through 16 of the United Nations' Guiding Principles on Business and Human Rights.

For examples of company mechanisms for communicating expectations to suppliers, see the Nestlé Supplier Portal and Starbucks' Suppliers webpage.

For sample supply chain Codes of Conduct, see the Responsible Sourcing Tool's Sample Code of Conduct Provisions for Food and Beverage Supply Chains and Sample Code of Conduct Provisions by Verité's COFFEE project.

For guidance on how companies should integrate "no worker-paid recruitment fees" into their policies, see The Employer Pays Principle, by the Institute for Human Rights and Business.

1.2 Governance and Oversight

For guidance on CEO human rights responsibilities and accountabilities, see the World Business Council for Sustainable Development's CEO Guide to Human Rights.

For a discussion of corporate governance systems for human rights due diligence, see Human Rights Due Diligence and Corporate Governance, by the Corporate Responsibility Initiative, Harvard Kennedy School.

For a set of indicators to evaluate a company's governance of human rights issues, see Shift's Leadership and Governance Indicators of a Rights Respecting Culture.

For guidance on executive incentives for human rights performance, see Linking Executive Compensation to ESG Performance, by the ESG Center at The Conference Board.

1.3 Procurement Practices

For examples of responsible purchasing practices for the food and beverage industry, see the Ethical Trading Initiative's Common Framework for Responsible Purchasing Practices in Food.

For an example of model contract clauses on human rights, see the American Bar Association's Contractual Clauses Project.

For a discussion and examples of how purchasing practices can affect cocoa farmers' livelihoods, see the Voice Network's Good Purchasing Practices.

For an example of a sourcing strategy focused on longer-term supplier relationships, see how Unilever has worked with its suppliers in How We're Partnering Suppliers to Build a More Equitable Society.

Further Resources

For an example of a company's approach to performing a pre-sourcing human rights assessment, see the Coca-Cola Company's Pre-Sourcing Human Rights Due Diligence tool.

For guidance on aligning procurement processes with human rights objectives, see Principle 2: Responsible Sourcing and Procurement in Fair Labor's Agriculture Supply Chain Principles for Responsible Sourcing.

For an example of contractual language between suppliers and buyers in agricultural supply chains, see the Responsible Sourcing Tool's Sample Social Responsibility Agreement for Food and Beverage Supply Chains.

For guidance on responsible purchasing practices, see The Five Principles of Responsible Purchasing, by the Better Buying Institute.

1.4 Internal Capability

To understand key considerations in designing human rights training programs for staff and suppliers, see Guidance on Communication and Training Across the Supply Chain, by Verité's COFFEE Project.

For an example of a company informing all employees of its human rights policy, see The Coca-Cola Company and Human Rights: *What We All Need to Know and Do*.

Spanish language resources

For tools on establishing policies and selection and evaluation of labor brokers, see the AHIFORES toolkit on responsible recruitment in the Mexican agricultural sector, produced in partnership with Verité and the ILO.

FARM LABOR DUE DILIGENCE TOOLKIT

Assess Human Rights Risks & Harms

2

Verité
Fair Labor. Worldwide.

Acknowledgements

The Farm Labor Due Diligence Toolkit 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.

Verité is grateful for financial and technical support for the development of the Farm Labor Due Diligence Initiative from Cargill, ECOM, Fairtrade International, Jacobs Douwe Egberts, Mars, Incorporated, McDonald's Corporation, Philip Morris International, and Rainforest Alliance. We would also like to acknowledge insights gained from collaborations with many other food and beverage and apparel companies, civil society organizations, certification standards, and multistakeholder initiatives — all of which inform our understanding of comprehensive human rights due diligence in agriculture.

Cover photo: Jen Watson/Shutterstock

Understanding Farm Labor Due Diligence

Labor rights due diligence in agriculture is not inherently different from human rights due diligence (HRDD) in other sectors. 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.

How to Use This Guidance Document

The Verité Farm Labor Due Diligence Toolkit contains separate guidance tools for each of the six top-level elements of human rights due diligence. Each tool begins with a brief element overview and explains the role the element plays within the overall HRDD system.

The main body of each tool defines the core components that make up the element, and outlines practical pathways to implement and improve these components over time. Three maturity levels are described for each component – Basic, Established, and Leadership – represented by the icons below. For each level of each component, the toolkit describes what a company at that level of maturity should have in place, and suggests key actions the company can take to get there. A summary benchmarking tool, and a curated list of additional resources, are included at the end of each element.

It is important to note that companies often develop different parts of their 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. All stakeholders should remember that HRDD is an ongoing process. Even when a company reaches a leadership 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.

BASIC

ESTABLISHED

LEADERSHIP

/857902O1/Adobe Stock

2 Assess Human Rights Risks & Harms

Components of This Element

2.1 Supply Chain Mapping

2.2 Saliency Assessment

2.3 In-Depth Assessment of Risks & Harms

The "Assess" element of a comprehensive approach to human rights due diligence (HRDD) refers to the processes by which companies take stock of human rights risks and harms caused by their operations and those of their supply chain partners. Assessing human rights risks and harms can be challenging and resource-intensive, but assessment provides a critical foundation for respecting human rights and implementing effective due diligence. Assessment must not be considered a one-off activity, but rather integrated as an ongoing, routine practice that informs and is informed by other elements of HRDD.

Human rights risks in global supply chains are driven by many factors, including poverty, poor labor law enforcement, and standard business practices in sourcing countries. In agriculture, farmers' reliance on informal, seasonal, and migrant labor is a key driver, in addition to the common practice of "piece-rate" payment for farm work and low levels of organized labor. In agricultural supply chains dependent on smallholder production—cocoa, coffee, cotton, tobacco, etc.—farmers' reliance on their families, neighbors, or landless sharecroppers increases risk of labor abuse as well. Human rights risk assessments identify and take stock of the nature and drivers of such factors potentially contributing to vulnerability for workers or other affected stakeholders.

Responsible companies seek to understand their exposure to human rights risks throughout their value chain, identify harms in their operations and supply chains, probe the underlying system failures or other root causes, and use these insights to set priorities and develop prevention, mitigation, and remediation strategies. Having a good understanding of the nature of the risks involved, knowing how severe and how widespread harms are, and understanding the underlying dynamics driving risks can help the company clarify which commodities, geographies, and salient issues to prioritize for action, and what level of resourcing is necessary to allocate.

Once the most salient risks and impacts have been identified and the work of addressing them is underway, the company can then move on to addressing additional issues, geographies, and parts of the business. Carrying out ongoing or follow-up assessments can help the company update its priorities for action over time, and ensure that improvements in human rights achieved to date are being sustained. For more on ways to maintain up-to-date knowledge on human rights risks and harms in a company's supply chains, see Element 4: Track & Improve.

2.1 Supply Chain Mapping

For a company to assess the human rights risks and adverse impacts associated with its sourcing, it needs to establish visibility into its supply chain partners, workers, and producers. It achieves this through supply chain mapping, which typically involves a combination of desk research and outreach to suppliers, and sometimes also to farmers and/or community members.

Mapping agricultural supply chains to the farm level was once a voluntary activity but is now mandatory for some at-risk commodities under European laws. For any company sourcing raw materials, full supply chain mapping is an important enabler of robust human rights due diligence.

Mapping a supply chain usually involves starting with Tier 1 suppliers and working to identify their suppliers, those suppliers' suppliers, and so forth until the first mile level. In agricultural supply chains, the types of information mapped may include farmer/farm name and contact information; address/geolocation of the farm site; category, quantity, dates and methods of production; number of workers by gender; known risks and risk management practices. Supply chain mapping is not the same as traceability—which refers to tracing the flow of specific goods, both horizontally and vertically, across and within tiers—but systems for product tracing and supply chain mapping both increase a company's visibility into its product origins and facilitate HRDD.

The maturity of a company's supply chain mapping has two dimensions:

- How wide and far upstream the company's knowledge of its supply chain extends; and
- How comprehensive and accurate the company's knowledge is of the labor force, labor practices, and other relevant characteristics of suppliers at different levels of the supply chain.

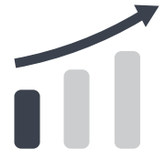
Companies should gather information at every supplier tier that can help them evaluate the human rights risk profile of those suppliers, including their capabilities to conduct human rights due diligence (2.3 In-Depth Assessment of Risks & Harms and 4.2 Monitoring of Suppliers).

As a company's level of visibility into its supply chain improves, it can begin to collect and use information relevant for assessing and controlling specific salient issues. A company that has mapped its supply chain to farm level in a commodity and geography with child labor due to endemic poverty, for example, might collect farm profile data that helps it design an effective living income program for its farmer base. Farm profile data should always be handled in ways that are mindful of farmer and worker data privacy, ownership, and governance.

Claue/Shutterstock

2.1 Supply Chain Mapping

Basic



At this maturity level

The company has identified its Tier 1 suppliers and is gathering location and basic workforce information about supplier operations and supply chains.

A company getting started mapping its supply chain should compile the names, addresses, points of contact, and product/commodity information of all Tier 1 suppliers, and engage these suppliers to learn more about their operations, workforces, and HRDD systems.

At this stage, the focus should be on gaining basic visibility into where and from whom inputs are being sourced, and on identifying any suppliers, commodities, and/or geographies needing heightened due diligence in the immediate term.

How to get there

1. Identify all Tier 1 suppliers
2. Systematically gather information (e.g. via questionnaire) about the identity, location, and workforce details of supplier facilities and supply chains
3. Flag suppliers and/or supply chains known to be at risk for human rights issues (e.g. due to sector, geography, or workforce characteristics) for additional assessment
4. Use supplier information to identify gaps in supply chain visibility and factors limiting access to relevant human rights insight (e.g. purchasing practices, lack of supplier traceability systems, high number of upstream producers, etc.)

2.1 Supply Chain Mapping

Established

At this maturity level

In addition to "Basic," the company requires its suppliers to map their supply chains and to collect location and basic workforce information about them.

At the "Established" maturity level, the company should intensify its expectations of its suppliers around knowledge of their supply chains, and support them to improve their supply chain visibility.

The company should be able to obtain at least country-level sourcing information for all commodities, and should know sub-national regions of sourcing for key at-risk commodities.

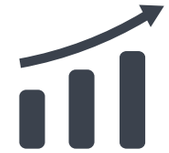
How to get there

1. Include requirement to provide supply chain location and workforce information in supplier precontracting due diligence and contracting processes
2. Require suppliers in prioritized commodity-geography contexts to continually improve supply chain visibility (e.g. via extension of traceability systems, scientific screening for unacceptable origins, supplier surveys, etc.)
3. Develop operational guidance for suppliers in prioritized commodity-geography supply chains about the information they should collect to facilitate assessment and control of human rights risk

Narong/Shutterstock

2.1 Supply Chain Mapping

Leadership



At this maturity level

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.

A company at the “Leadership” level should know where all its inputs originate, understand the labor force dynamics associated with its supply chains in at-risk industries and geographies, and have the information it needs to set priorities and inform human rights strategy development.

The company should coordinate its efforts to gather and use supply chain information with relevant industry, government, and civil society actors, reinforcing policy alignment and sustainability.

How to get there

1. Require all suppliers to map supply chains to first mile level
2. Require or implement third party verification of supply chain mapping and/or product traceability
3. Include labor supply chain mapping in scope
4. Work with suppliers to standardize, aggregate, and analyze relevant workforce, community, and farm profile data in order to assess and control human rights risks associated with supply chains
5. Engage with government and industry peers to align traceability systems and share supply chain risk profile information relevant for HRDD

2.2 Saliency Assessment

A saliency assessment is a systematic process of identifying and analyzing all the risks to people's human rights in a company's operations and supply chains. The outcome of a saliency assessment is often a set of identified human/labor rights issues (child labor, forced labor, gender equality, farmer livelihoods, etc.), which can become the basis for programming (commodity programs, partnerships with external organizations, etc.). This process can catalyze important commitments and help focus senior leadership on human rights priorities.

A company may select certain commodities and/or geographies for saliency assessment based on sourcing volumes, level of legal and reputational risk, prior knowledge of human rights harms, and/or the company's ability to address such harms. Other factors can include:

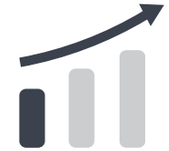
- Geography of production (e.g., labor force, labor availability, legal and institutional frameworks protecting human rights, capacity of social service providers, etc.)
- Commodity and production characteristics (e.g., seasonality of production, wage payment arrangements, health and safety risks related to harvesting, processing etc.)
- Labor recruitment and employment practices (e.g., formality of employment, use of labor recruiters/intermediaries, etc.)
- Trading practices (e.g., price-setting mechanisms, market speculation, direct and indirect sourcing, mass balance and segregated sourcing, etc.)

A commodity may determined to be high risk in one country and low risk in another, or two commodities grown in the same country may have different risk profiles. For example, pineapples from Costa Rica are high risk for forced labor, with large numbers of undocumented Nicaraguan migrant workers who are not eligible for protection under Costa Rican law; by contrast, forced labor risk is lower for migrants from Panama who enter Costa Rica for the coffee harvest, since they are provided special work permits and are protected under various social services in the coffee growing areas.

ImagensstockBR/Shutterstock

2.2 Saliency Assessment

Basic



At this maturity level

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.

At the "Basic" level, staff responsible for saliency assessments should identify which commodities and geographies to prioritize based on sourcing volumes, level of legal and reputational risk, potential human rights harms, supplier capacity, the company's ability to address violations, and/or other factors.

The company should either build internal capacity to carry out the saliency assessment, or identify options for external partners to carry out the assessment. All team members involved (internal and external) should understand and have confidence in the assessment methodology.

How to get there

1. Identify commodities and geographies in the company's supply chain that are known to be associated with human rights risks
2. Select provider to carry out the saliency assessment and allocate necessary resources
3. Agree on methodology and full scope of assessment
4. Compile list of stakeholders to be consulted

2.2 Saliency Assessment

Established

At this maturity level

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.

At the "Established" maturity level, the company should share the results of saliency assessments with stakeholders, seek input, and integrate that input into the heatmap.

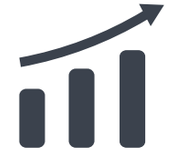
How to get there

1. Provide relevant information to those conducting the assessment, and facilitate interviews with relevant internal and external stakeholders
2. Undertake assessment and analyze results
3. Share preliminary findings with relevant stakeholders, receive input, and finalize
4. Use findings to create "heatmaps" or similar tools to represent the most salient issues in the prioritized commodities and geographies

Yusuf Aslan/Shutterstock

2.2 Saliency Assessment

Leadership



At this maturity level

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.

At the “Leadership” maturity level, the company should repeat saliency assessments periodically (e.g., every two years) and establish triggers for new assessments, such as mergers and acquisitions, wars and conflicts, drastic changes in commodity prices, and other geographic and industry factors.

How to get there

1. Refresh the saliency assessment on a regular basis at both country and commodity level
2. Standardize protocol for triggers to revisit saliency assessment

2.3 In-Depth Assessment of Risks & Harms

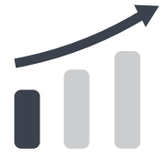
In-depth assessments supplement overall saliency assessments by capturing information on human and labor rights issues at the sub-country level (state, municipality, community, first mile operation, a group of small farms, a particular supply chain, etc.). These assessments may be initiated by companies that buy from first mile operations to better understand risks at the first mile level; and they may also be initiated by first mile operations themselves to understand the human rights challenges in their own facilities and supply chains. Some assessments are designed to shed light on the prevalence and nature of risk within whole sectors in a country or landscape; others focus more narrowly on specific supply chains or production sites. In-depth assessments may be self-administered or done by a third party, and should always build on existing information, such as audits, internal records, and any existing data such as community or farm profiles.

All human rights assessments should include analysis of applicable laws (land tenure, environmental, labor), environmental challenges, conflict and security conditions, and other context factors relevant for operations. They should examine not only the nature of the human and labor rights issues that exist, but also their root causes. Root cause analysis helps the company/supplier understand any drivers of human rights harms within its own operations or deriving from its business practices, as well as drivers originating in the supply chain. A strong understanding of root causes enables the company/supplier to design more effective approaches to prevent problems from recurring. For example, low incomes for farming families is often found to be a root cause of child labor.

Craven A/Adobe Stock

2.3 In-Depth Assessment of Risks & Harms

Basic



At this maturity level

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.

If the company has staff who are human rights experts located in, or available to travel to, the relevant geographic areas, it may choose to carry out in-depth assessments internally. Many companies choose to outsource this activity to organizations that are expert in human rights issues and have the necessary geographic presence.

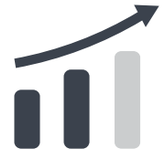
Even at the "Basic" level, it is key to identify the stakeholders who should be engaged in assessments, including farmers, workers, and community members whose lives and livelihoods are affected by the company's or supplier's activities. Assessments should also include input from other relevant actors with knowledge or influence on human rights issues, such as community leaders, government institutions, employers' or workers' organizations, and civil society organizations.

How to get there

1. Identify which salient issues, commodities, and geographies will be targeted for in-depth assessments
2. Map relevant stakeholders and ensure they are engaged as part of the assessment(s)
3. Decide if the assessment(s) will be done by internal staff or a third-party

2.3 In-Depth Assessment of Risks & Harms

Established



At this maturity level

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.

The methodologies used for assessments depend on many factors, including prior knowledge about the salient issues of focus, accessibility of data, budgetary constraints, and other factors. Methods can include desk-based research, digital crowdsourcing and mobile phone surveys, in-person interviews, and focus groups, and can be qualitative, quantitative, or a combination. Common types of assessments include Human Rights Impact Assessments (HRIAs) and rapid appraisals.

Whatever method is chosen, workers from different job categories should be consulted (field workers performing different jobs, packing shed, other job functions) as well as from different relevant demographic groups, including migrants, female workers, and workers from all relevant ethnic and racial groups. Any worker interviews should be designed to minimize harm to workers and should be carried out by culturally competent interviewers.

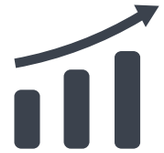
Assessments should include analysis of the root causes of human rights issues.

How to get there

1. Secure the necessary resources and/or budget for assessments
2. Develop or adopt a methodology and train implementer(s) if necessary
3. Undertake assessments, with participation and validation of findings by stakeholders
4. If severe harms are found during assessments, ensure that sufficient information is gathered to understand and address root causes
5. Record assessment data in internal systems, as appropriate

2.3 In-Depth Assessment of Risks & Harms

Leadership



At this maturity level

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.

At the "Leadership" maturity level, the company should scale up in-depth assessments and should have completed assessments for most or all of its prioritized origins.

The company should have a protocol for when to conduct additional assessments and integrate assessments into existing risk management systems.

As the company gains experience and maturity in doing in-depth assessments, it should increasingly use findings to inform business practices and overall HRDD strategy.

How to get there

1. Continually improve assessment tools and methods in keeping with evidence-based good practice
2. Establish standard operating procedures for circumstances that trigger new or re-assessments
3. Expand assessments to cover additional issues, commodities, suppliers, or geographies in order of priority
4. Apply the learnings from each round of assessments to all relevant areas of HRDD strategy (see 3.1 Strategy and Objectives)

Maturity Benchmarking Tool

Components	 BASIC	 ESTABLISHED	 LEADERSHIP
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.

Further Resources

2.1 Supply Chain Mapping

For an example of a supply chain map to first mile level, see Hershey's Milk Chocolate with Almonds supply chain map.

For an example of company traceability to first mile level, see Lindt & Sprüngli Achieves Sustainability Milestone: 100% Traceable and Verified Cocoa Beans.

For a tool to identify communities more at risk for child labor in cocoa production, see the International Cocoa Initiative's Protective Community Index.

For information on risks and root causes of forced and child labor in the coffee sector in Latin America, see the Risk Evaluation for Action in the Coffee Trade (REACT) Dashboard by Verité's COFFEE project.

For an overview of supply chain mapping, see the Responsible Sourcing Tool's Supply Chain Mapping and Risk Assessment in the Food and Beverage Sector.

To understand how to conduct supply chain mapping, see Supply Chain Mapping, Transparency, and Traceability by the Fair Labor Association.

For information on how traceability can support identifying and assessing human rights risks in supply chains, see the Supply Chain Traceability Matrix, by Verité's STREAMS project.

For a map of child labor and forced labor risks in banana, cocoa, coffee, hazelnut, and tea origins, see Rainforest Alliance's article Using Risk Maps to Protect Human Rights.

For examples of how to visualize risk, see the Visualize Risk page on the Responsible Sourcing Tool.

2.2 Saliency Assessment

For a free training on the concept of forced labor, see Verité's Forced Labor E-Learning Course.

For information on how to conduct risk research and root cause analysis in the banana, cocoa, coffee, cotton, honey, and wine grape sectors, see the Fairtrade Risk Map.

For a resource on forced labor risks in food and beverage supply chains, see Know the Chain's Forced Labor Risks in Food & Beverage Supply Chains: What Risks are Investors Exposed to and How Can They be Addressed?.

To understand how to prioritize and create a heat map of risks, see the Human Rights Due Diligence Training Facilitation Guide, by the UNDP.

To understand the risks of child labor and forced labor in different countries and sectors, see the U.S. Department of Labor's International Child Labor & Forced Labor Reports.

For an example a of company saliency assessment methodology and findings, see Sainsbury's Human Rights Saliency Report 2021-2022.

2.3 In-Depth Assessment of Risks & Harms

For a case study on conducting a remote assessment when field work is not feasible, see Conducting a Human Rights Impact Assessment in Russia, Remotely, by Philip Morris International.

For a case study on assessing human rights impacts in a supply chain, see Assessing Human Rights Impacts in the Tobacco Supply Chain in Turkey by Philip Morris International.

For an example of root cause analysis of a human rights issue in the agriculture sector, see Verité's Assessment of Forced Labor Risk in the Cocoa Sector of Côte d'Ivoire.

Further Resources

To understand what a Human Rights Impact Assessment (HRIA) is and the components involved, see The Danish Institute for Human Rights' Human Rights Impact Assessment Guidance and Toolbox.

For an example of a Human Rights Impact Assessment in the tea supply chain, see Marks & Spencer's Human Rights Impact Assessment of the Kenyan Smallholder Farmer Tea Supply Chain.

For an example of an in-depth assessment, see Mapping Working Conditions and Child Labor in the Nestlé Cocoa Supply Chain in Cameroon by Nestlé and the Fair Labor Association.

For guidance on root cause analysis of human rights issues, see the Root Cause Analysis of Labor Violations in the Coffee Sector resource by Verité's COFFEE project.

Spanish language resources

For information on the experiences of migrant workers in Mexico, see Violación de Derechos de Las y los Jornaleros Agrícolas en México, from the Red Nacional de Jornaleros y Jornaleras Agrícolas.

For a tool on risk identification, see the AHIFORES toolkit on responsible recruitment in the Mexican agricultural sector, produced in partnership with Verité and the ILO.

FARM LABOR DUE DILIGENCE TOOLKIT

3

Cease, Prevent & Mitigate Human Rights Risks & Harms

Verité

Fair Labor. Worldwide.

Acknowledgements

The Farm Labor Due Diligence Toolkit 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.

Verité is grateful for financial and technical support for the development of the Farm Labor Due Diligence Initiative from Cargill, ECOM, Fairtrade International, Jacobs Douwe Egberts, Mars, Incorporated, McDonald's Corporation, Philip Morris International, and Rainforest Alliance. We would also like to acknowledge insights gained from collaborations with many other food and beverage and apparel companies, civil society organizations, certification standards, and multistakeholder initiatives — all of which inform our understanding of comprehensive human rights due diligence in agriculture.

Cover photo: Kevin Valverde Salazar/Shutterstock

Understanding Farm Labor Due Diligence

Labor rights due diligence in agriculture is not inherently different from human rights due diligence (HRDD) in other sectors. 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.

How to Use This Guidance Document

The Verité Farm Labor Due Diligence Toolkit contains separate guidance tools for each of the six top-level elements of human rights due diligence. Each tool begins with a brief element overview and explains the role the element plays within the overall HRDD system.

The main body of each tool defines the core components that make up the element, and outlines practical pathways to implement and improve these components over time. Three maturity levels are described for each component – Basic, Established, and Leadership – represented by the icons below. For each level of each component, the toolkit describes what a company at that level of maturity should have in place, and suggests key actions the company can take to get there. A summary benchmarking tool, and a curated list of additional resources, are included at the end of each element.

It is important to note that companies often develop different parts of their 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. All stakeholders should remember that HRDD is an ongoing process. Even when a company reaches a leadership 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.

BASIC

ESTABLISHED

LEADERSHIP

/857902O1/Adobe Stock

3 Cease, Prevent & Mitigate Human Rights Risks & Harms

Components of This Element

3.1 Strategy & Objectives

3.2 Indicators & Targets

3.3 Action Plans

3.4 Ceasing Internal Drivers of Risk

3.5 Capability Building for Suppliers

3.6 Capability Building in the First Mile

3.7 Collaboration for Prevention & Mitigation

Once the company has completed an overall saliency analysis, assessed serious risks and impacts in more depth, and created a human rights strategy (Element 2: Assess), it is ready to take action to cease harmful practices, and prevent and mitigate the identified risks and violations. Taking action to address risks and harms starts with setting objectives and targets for progress on the most salient issues, and developing concrete action plans to reach those targets.

As a company examines its policies, internal management, and procurement practices, and carries out root cause analysis to identify system failures and underlying drivers (2.3 In-Depth Assessment of Risks and Harms), it will gain insight into any ways its own operations and business practices have directly caused or contributed to human rights harms, or could potentially do so. The company should permanently cease those practices.

If the company has identified risks to human rights in its supply chains, the action plan should include steps to mitigate those risks. If there is a risk of harms potentially occurring in the future, action plans should include programming designed to prevent those harms. Prevention and mitigation activities often include training for supply chain partners and other stakeholders to build their capability to understand and take action to address human rights issues. They often also include focused investment in programs designed to address the underlying root causes of human rights risks. Both training and direct programming should be grounded in evidence-based approaches that actually drive impact on salient issues.

Since the root causes of human rights issues in agricultural supply chains are often complex, intertwined, and difficult to change, collaboration with a variety of partners through industry platforms, multi-stakeholder initiatives, and other groups is an important way companies can supplement their own prevention and mitigation activities. Collaboration can be particularly important when entrenched issues require an industry or supply shed approach in order to effectively address root causes. However, collaborations should never be seen as an alternative to the company's own human rights due diligence efforts.

3.1 Strategy & Objectives

Supply chain mapping, saliency assessment, and in-depth assessment of risks and harms are foundational for human rights due diligence, but the company still needs to make choices about where to begin and how to focus its efforts over time. The more intentional a company is about these choices, the better it will be able to address human rights issues, and the easier it will be to evaluate and report on its progress accurately and adjust course if necessary.

A formal human rights strategy provides a useful framework for organizing the company's decisions about its priorities and objectives for its work on human rights, and can be a key tool for ensuring internal alignment and buy-in with leadership and other internal stakeholders such as commercial teams. Some companies choose to create an company-level, global human rights strategy. Others also choose to develop cross-cutting strategies that articulate their approach to specific salient issues or commodities.

The process of human rights strategy development should follow naturally from the company's assessment of risks and harms, reflecting those that are most prevalent, serious, and for which the company bears the most responsibility. The strategy should cover the company's key salient issues (e.g., child labor, forced labor, discrimination), and state the core objectives the company seeks to achieve through its human rights program (e.g., protect children, promote gender equity, empower workers, ensure living incomes for farmers.) The strategy should also identify the commodities and geographies in which the company will prioritize its efforts on these issues, and include the rationale for its selections.

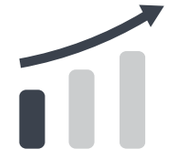
The company's human rights strategy should realistically reflect its level of resources and ambition on human rights. Sustainability teams often need to prioritize among important areas of effort, and it can be helpful to make tradeoffs explicit to leadership and other stakeholders, to prompt internal discussion and set expectations appropriately.

Human rights strategies should be viewed as living documents, to be revisited as the company's human rights due diligence processes and systems become more mature, and as the company and its supply chains change. Over time, the company's focus should shift from implementing processes and systems to impact on salient issues. The human rights strategy should include a timeline for achieving this shift, which should be reflected in the company's reporting (see 6.2 Public Reporting on Implementation and 6.3 Public Reporting on Impact).

PunyaFamily/Shutterstock

3.1 Strategy & Objectives

Basic



At this maturity level

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.

At the "Basic" maturity level, the company should select combinations of salient issues, geographies, and commodities based on the severity and likelihood of harms, as well as the company's degree of leverage.

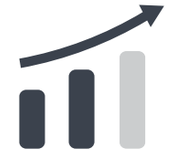
Examples of human rights objectives could include "protect children, promote gender equity, empower workers, ensure living incomes for farmers," and many others. The company may wish to review the human rights objectives of its key customers and peers, to ensure that its own prioritized objectives are well aligned with industry norms.

How to get there

1. Use findings from supply chain mapping, saliency assessment, and in-depth assessments to develop list of prioritized issues and commodity-geography combinations
2. Develop core set of proposed objectives to guide the company's work addressing human rights issues
3. Identify HRDD processes and systems that need to be implemented or strengthened in order to meet the objectives
4. Engage internal stakeholders for feedback, revising as necessary; obtain senior management endorsement of decisions

3.1 Strategy & Objectives

Established



At this maturity level

In addition to "Basic," the company has a human rights strategy in place that incorporates stakeholder consultation, and it is implementing the strategy.

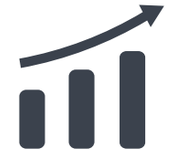
At the "Established" maturity level, the company should develop a strategy that reflects a holistic, systems-based understanding of HRDD, with a focus on prevention and attention to root causes of risks. The strategy should incorporate input from stakeholders, including suppliers, civil society organizations, industry peers, affected stakeholders, and others.

How to get there

1. Identify and engage with relevant stakeholders in prioritized supply chains to inform development of the company's strategic approach
2. Develop a formal human rights strategy for the company, prioritizing the objectives and laying out steps to achieve them
3. Implement the strategy, beginning with the highest priority objectives, focusing on the due diligence system elements needed to achieve them
4. Engage external stakeholders for feedback on the company's human rights priorities and strategic approach to driving impact
5. Secure necessary resources for ongoing implementation and strengthening of the strategy

3.1 Strategy & Objectives

Leadership



At this maturity level

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.

A “Leadership” company should regularly look for ways to improve its strategic approach to preventing and mitigating human rights risk. For example, it should expand its list of prioritized objectives, or improve its approach to achieving specific objectives.

Over time, the strategy should be broadened to include systemic causes of human rights risk that reach beyond the company's direct control or leverage. This requires planning for long-term government engagement and participation in multi-stakeholder initiatives focused on creating impact.

How to get there

1. Regularly review supplier monitoring data and other sources of information on HRDD system performance (e.g. farm monitoring data, worker grievance reports, ongoing risk assessments, etc.)
2. Gradually strengthen the strategy to shift its focus from HRDD implementation to impact on salient issues, including additional commodities and geographies in scope, and deepening the company's focus on addressing root causes of human rights risks
3. Adjust the company's HRDD resourcing to ensure the updated strategy is able to be implemented and that new or ongoing objectives can be achieved

3.2 Indicators & Targets

Once the company has a human rights strategy in place (3.1 Strategy and Objectives), it should develop indicators and set targets to measure progress. In the early stages of maturity, the company will likely focus primarily on process indicators and targets, measuring the implementation of its due diligence systems. As the company matures in its human rights due diligence, it should measure its impact on salient issues as well. A timeline for shifting from measuring process to measuring impact should be included in the company's human rights strategy.

The process of establishing a company's human rights indicators and targets should be formal, with clear accountability at a relatively senior level. Expert assistance may be necessary. Gaining the buy-in of senior leadership on human rights targets is critical to ensuring resources for implementation. It is also important to engage with staff who will be responsible for generating the information to be tracked, as well as those supporting the data systems needed to collect and aggregate the data. Companies should also seek input from external stakeholders on all aspects of their human rights strategies, including on indicators and targets.

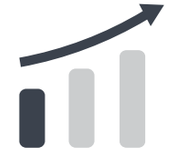
Collecting human rights data requires the company to engage with its suppliers at Tier 1 and beyond. This outreach depends on the degree to which supply chains have visibility into their supply chains (2.1 Supply Chain Mapping), and on the ability of the company's suppliers to collect accurate human rights-related data. The company should support suppliers on data collection and hold them accountable for reporting the required data (1.3 Procurement Practices). Since suppliers are likely facing similar demands from other customers as well, companies should work to align their own internal indicator frameworks with those of shared or standardized reporting frameworks as much as possible—including those used by governments in producing countries and regulators in importing countries—to minimize the burden suppliers face.

For guidance about public reporting on both processes and impacts of human rights due diligence, see Element 6: Report.

Suriya Phonlakorn/Shutterstock

3.2 Indicators & Targets

Basic



At this maturity level

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.

At the "Basic" level, the company should begin to define how it will measure and hold itself accountable for progress on its human rights objectives. This typically involves a formal process of KPI development, along with cross-functional efforts to determine how the data needed to calculate indicators will be generated, collected, and managed. The company may wish to engage an external monitoring, evaluation, and learning (MEL) and/or legal expert to assist with indicator development.

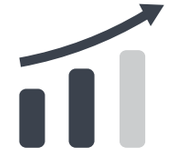
The distinction between implementation-related KPIs and impact-related KPIs is critical, and the company should develop both. An example of a top-level implementation KPI could be: "percentage of farms in at-risk supply chains covered by monitoring and remediation systems." An example of a top-level impact indicator could be: "percentage of rights-holders identified as harmed who have been provided remedy to their satisfaction."

How to get there

1. Review the top-level KPIs used by major customers and peer companies on human rights
2. Review any mandatory human rights reporting/disclosure requirements under current or emerging laws and regulations
3. Develop a draft list of high-level KPIs to measure the company's progress on implementation of HRDD and its impact on salient issues
4. For each KPI, set a numeric target and timeline that is both realistic and ambitious
5. Consult with internal stakeholders to evaluate feasibility and costs associated with tracking and reporting on the proposed KPIs, and to validate the targets and timelines
6. Finalize top-level human rights KPIs and targets obtain senior-level endorsement and approval of necessary resources

3.2 Indicators & Targets

Established



At this maturity level

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.

A company at the "Established" level should expand its framework of human rights indicators beyond its high-level ones to "supporting" KPIs that measure impact at the community/regional/national and/or commodity level, such as overall reductions in child labor in the company's cocoa supply chains in Ghana, or repayment to workers of recruitment-related debts in the company's global palm oil supply chains.

In selecting indicators, the company should consider aligning with relevant industry or multistakeholder platforms, certification schemes, or other initiatives, to facilitate comparability and collaboration on impact tracking.

Ensuring that the company's staff and suppliers have the capability to collect human rights data accurately often involves significant effort. The team may need to develop reporting tools and procedures, and to provide training to those responsible for data handling (3.5 Capability Building for Suppliers and 3.6 Capability Building in the First Mile).

How to get there

1. Review top-level KPIs in leading voluntary frameworks and reporting initiatives; decide whether to align the company's KPIs to these or add additional top-level KPIs
2. Develop supporting indicators that measure the implementation of HRDD systems and processes in prioritized commodities and geographies (these indicators will roll up into the top-level implementation KPIs)
3. Develop supporting indicators measuring the effect of intensified HRDD on salient issues in prioritized commodities and geographies (these will roll up into the top-level impact KPIs)
4. For each supporting indicator, set a numeric target and timeline that is both realistic and ambitious
5. Communicate indicators, targets, and data reporting requirements to suppliers in prioritized commodities and supply chains
6. Implement a process for senior management to regularly review progress against indicators and targets, and to adjust targets or dedicate additional resources to keep progress on track

3.2 Indicators & Targets

Leadership

At this maturity level

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.

At the "Leadership" maturity level, the company should be receiving relevant data from suppliers on a regular basis and in a systematic way. It should expand these requirements to additional suppliers in risky geographies or commodities.

The type of data that the company collects and requires from suppliers should also mature, from process-oriented metrics toward more impact-oriented ones. Regularly engaging with affected stakeholders helps ensure that indicators capture impact in a meaningful way.

How to get there

1. Continually increase the number of suppliers, salient issues, and commodity-geography combinations covered by the company's data reporting requirements
2. Ensure progress on meeting targets is integral to the company's overall human rights strategy (3.1 Strategy and Objectives)
3. Use suppliers' data to inform supplier engagement and procurement decision-making (1.3 Procurement Practices, 4.2 Monitoring of Suppliers)
4. Increase engagement with affected stakeholders to understand and incorporate their perspectives on measuring impact

3.3 Action Plans

Once the company has developed its human rights strategy and defined the indicators and targets it will use to drive progress on its objectives, it is ready to develop detailed action plans. Action plans are typically developed at the level of the salient issue-commodity-geography combination—e.g. child labor in cocoa in Côte d'Ivoire—but they may also cover more than one commodity and more than one human rights issue, or in some cases, more than one country.

The process of developing action plans should build upon the knowledge gained through in-depth assessments (2.3 In-Depth Assessment of Risks and Harms), including the root cause analysis carried out at that stage. For example, if a root cause analysis has identified local lack of access to credit as a root cause of farmer poverty, and farmer poverty as a root cause of child labor, the action plan could include promotion of affordable, accessible financial services at the community level, or direct financial support for farmer income and farmworker compensation. Country-level action plans should also incorporate insights gained through engagement with suppliers at the first mile level.

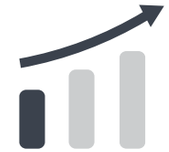
The deployment of action plans relies heavily on in-country personnel, knowledge, and resources, and the company should plan to support its local teams, and/or those of its suppliers, to carry them out. Although action plans are focused at the ground level, the company should work with all supply chain partners as needed to design and implement the plans. Tier 1 suppliers, Tier 2 suppliers, traders, and other intermediaries may have important roles to play in the plans, depending on the nature of the supply chain and business relationships. Some suppliers may be more eager than others to engage, so the company should use its leverage to encourage engagement. The company should also work with civil society groups, government, and other stakeholders to ensure the plan is appropriate and aligned with realities in-country (3.7 Collaboration for Prevention & Mitigation).

While action plans are developed, first and foremost, to mitigate risk, they should be developed from a perspective of support. Addressing human rights in supply chains, especially in the first mile, is a very complex and difficult endeavor, and suppliers at all levels need support to tackle these challenges.

Somchai20162516/Adobe Stock

3.3 Action Plans

Basic



At this maturity level

The company has developed action plans to implement its human rights strategy and achieve its objectives in prioritized commodities and geographies.

At the "Basic" maturity level, companies should bring together information gathered through in-depth assessments, root cause analyses, and engagements with suppliers and other stakeholders to inform action plans.

The choice of whether to develop action plans at the country level, commodity level, or other level (such as region) depends on various factors, and all of these types can be useful and appropriate.

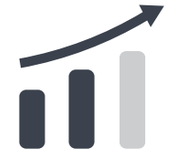
Plans often include commitments to collaborate with locally based implementation partners on specific activities. Developing these plans can be done by the company alone, or with support from third-party partners.

How to get there

1. Create company-level action plans to implement the human rights strategy, with a focus HRDD implementation or intensification in prioritized commodity-geography contexts
2. Engage Tier 1 suppliers and other stakeholders in prioritized commodity-geography contexts to understand what will be required to effectively address the root causes of salient issues
3. Prioritize suppliers to receive capability building and intensive engagement
4. Draft country-level (or commodity-level) operational action plans for internal actions, support to suppliers, and external collaboration
5. Secure budget for initial implementation activities

3.3 Action Plans

Established



At this maturity level

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.

At the "Established" maturity level, the company should build out activities under the plan(s). It should begin implementing these activities, and track and assess them over time.

The first phases of Action Plans often focus heavily on capability building of suppliers, including at the first mile (3.5 Capability Building for Suppliers and 3.6 Capability Building in the First Mile). A key focus is often helping suppliers at different levels embed human rights into their own systems.

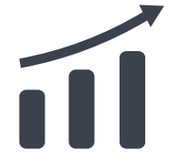
At this level of maturity, the company should be fully aware of the importance of investing resources into action planning and programming to achieve its human rights objectives, and should have dedicated (financial and human) resources in its budgets for this purpose.

How to get there

1. Begin implementation of country-specific action plans, focusing on early-stage activities and interventions such as supplier awareness-raising, capability building, and establishing basic management systems
2. For each activity and intervention, assign accountable persons, action items, timelines, resource requirements, and measures of success
3. Work with company management and external partners to secure resources for plan implementation and expansion over time
4. Develop action plans for additional commodity-geography combinations and suppliers in priority order

3.3 Action Plans

Leadership



At this maturity level

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.

At the "Leadership" maturity level, the company should have fully activated the plan(s), including dedicated funding and partnerships to implement interventions that address the main structural drivers of risk.

For every new high-risk commodity/geography where existing programming does not exist, the company should develop new action plans.

How to get there

1. Deepen programs to improve systems and achieve impact in reducing risks and harms due to root causes, including in the first mile
2. Obtain senior management commitment for sustainable funding to support ongoing programming and action plan implementation
3. Document and communicate best practices identified during plan implementation to improve supplier performance
4. Routinely engage affected stakeholders in the evaluation of the impact achieved by action plans to continually strengthen plans and programs
5. Develop and implement action plans for all at-risk commodities and origins, and embed them within other ongoing commercial systems and processes

3.4 Ceasing Internal Drivers of Risk

If a company's own operations or business practices are directly causing or contributing to human rights harms, or potentially could cause or contribute to such harms, the company should cease those practices.

Some business practices are known to elevate risks to affected stakeholders in supply chains, particularly workers. Examples include labor force outsourcing, systematic dependence on migrants or other vulnerable populations for labor, indirect/untraceable buying of key ingredients through layers of traders, and concentration of production in countries or export processing zones in which labor laws are weak or poorly enforced. In agricultural supply chains, large scale land acquisition, tacit acceptance of deforestation or other environmental harms, and exploitation of fluctuating farmgate prices increase the vulnerability of whole rural communities, as well as the farmers and farmworkers directly engaged in production for global companies.

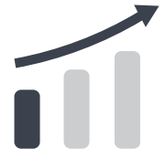
Since such practices are commonplace in many global food and beverage supply chains, ceasing or significantly modifying these practices within an individual company can be quite challenging. Sometimes changes will require adoption of new or transformed business models – for example, shifting to vertically integrated supply chains for critical inputs. Other times, cessation of harmful practices might mean altering the mix of products the company sells, or terminating certain business relationships or operations in particular markets. In some circumstances, the company must terminate its relationships with existing suppliers or farmers in order to minimize risk. In such cases, steps should be taken to minimize any human rights harms that could be caused by the company's withdrawal.

Companies should resist the impulse to "cut and run" from countries with human rights risks. Progress on human rights requires engagement with governments, civil society, and industry peers to address underlying drivers of risk wherever possible (3.7 Collaboration for Prevention and Mitigation). Companies that seek to escape human rights concerns by departing a problematic origin often find that those same risks are also present in other origins, and that they must build due diligence systems and invest in supplier capacity once again. In the long run, sustained engagement is necessary to create safe and fair agricultural workplaces and value chains.

MIA Studio/Adobe Stock

3.4 Ceasing Internal Drivers of Risk

Basic



At this maturity level

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.

At the "Basic" level, the company should examine the root cause analyses that have been done on salient human rights issues (2.3 In-Depth Assessment of Risks and Harms) and look at its own purchasing practices (1.3 Procurement Practices), to understand whether any of its own practices or procedures may be driving human rights harms.

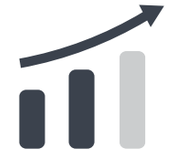
The company should prioritize actions it can take to address these drivers and pilot test them. It is important to garner support from senior management and affected departments for these pilot tests.

How to get there

1. Examine how the company procures from its Tier 1 suppliers to determine if those practices impact its suppliers' ability to meet legal requirements and the company's code of conduct
2. Develop a prioritized list of actions to improve procurement practices; discuss them internally and with key suppliers
3. Pilot test at least the highest priority action and gather data to measure the feasibility and impact of the change

3.4 Ceasing Internal Drivers of Risk

Established



At this maturity level

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.

At the "Established" maturity level, the company should scale up changes that were successful in the pilot test, and ensure that staff responsible for the new practices are prepared to implement them. It should pilot test additional actions to address drivers of human rights risk.

How to get there

1. Continue to pilot test actions to improve procurement and other business practices
2. Work internally to build understanding and buy-in on prioritized actions
3. Make relevant teams/departments accountable for implementing improved practices within their control
4. Where change in practices means terminating business relationships with certain suppliers or sourcing in certain origins, assess possible harm to workers and other affected stakeholders caused by the change and take steps to minimize harm
5. Broadly phase-in additional prioritized actions proven feasible and effective by pilot testing

3.4 Ceasing Internal Drivers of Risk

Leadership

At this maturity level

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.

At the "Leadership" maturity level, the company's senior executives and/or its Board of Directors should be involved in reviewing, approving, and driving changes that address underlying drivers of human rights risk.

How to get there

1. Senior management/Board of Directors routinely evaluate the impact of procurement practices on reducing human rights risks and harms, and approve changes to facilitate progress
2. Design and implement procurment practices, such as supplier incentives and direct sourcing, whose positive impact on farmers and workers can be measured (1.3 Procurement Practices)
3. Senior management/Board of Directors approve strategic changes in company practices in support of human rights objectives

3.5 Capability Building for Suppliers

Capability building for suppliers is often an important enabler of human rights due diligence, and should be included in most human rights strategies (3.1 Strategy and Objectives) and action plans (3.3 Action Plans). All but the most sophisticated suppliers will benefit from strengthened knowledge of human rights issues and associated responsibilities, and a company must make sure that its suppliers are aware of and able to comply with its performance standards (1.1 Policies and Performance Standards). Many suppliers will need help to develop or improve their internal human rights-related systems and processes, adjust their business practices, better track and report data, and reduce the drivers of human rights risks or harms. Gaining insight into the capabilities and needs of suppliers should be included in pre-contracting due diligence (1.3 Procurement Practices), and regularly evaluated as part of ongoing supplier oversight (4.2 Monitoring of Suppliers).

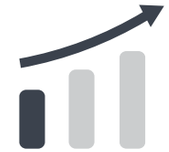
Capability building for suppliers often implies formal training, but it can also include other kinds of programmatic investments such as awareness-raising and consulting support to design and implement monitoring systems, manage risks, remediate harms identified, and track progress. Typically, training programs will begin by ensuring participants have a basic understanding of labor legislation, salient labor risks in their own sectors and geographies, and the company's code of conduct and expectations. Capability will be progressively built to cover ceasing, preventing, and mitigating human rights harms and building systems of increasing sophistication to manage risks and impacts. Training programs should be tailored to the specific groups/teams (e.g., sustainability managers, on-site teams, data teams, field monitors, etc.).

Buyers or sustainability/human rights teams at companies may work directly with their counterparts at the supplier. Some companies also engage NGOs or for-profit consulting firms to assist with supplier capacity building and performance improvement, or point suppliers to training resources available through certification schemes and industry initiatives. Companies should view this sort of programming as an investment in helping their suppliers become the kind of supply chain partners they need in order to achieve effective human rights due diligence. It makes sense to couple such investments with adjusted sourcing practices—multi-year contracts and recurring volume commitments, for example—deepening relationships with key suppliers and increasing leverage over them to respect human rights in a virtuous cycle (1.3 Procurement Practices).


Craven A/Adobe Stock

3.5 Capability Building for Suppliers

Basic



At this maturity level

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.

At the "Basic" level, training for suppliers often focuses on building awareness and understanding of human rights risks, common root causes, and the requirements of the company's code of conduct. It may also cover how the supplier's performance will be evaluated, how to report data, and other topics.

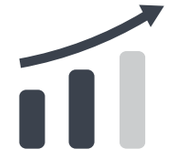
Target groups can include various actors within supplier companies, such as sustainability team members, legal teams, corporate/external affairs, ESG reporting teams, and commercial/procurement teams. The company should begin to develop more detailed tailored training/capability building plans for target groups and secure needed budgets.

How to get there

1. Prioritize supplier companies and key target groups within those companies
2. Develop training/capability building plans for each type of target group, including topics, desired outcomes, format, frequency, and budget
3. Internally, or with support from an external partner, develop training materials and begin delivering training to prioritized target groups, including pre- and post-training surveys to measure learning

3.5 Capability Building for Suppliers

Established



At this maturity level

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.

At the "Established" maturity level, suppliers should be trained to do their own risk assessment, compliance monitoring, root cause analysis, and other steps of the due diligence process. Additional suppliers should be covered under the company's training program as well.

How to get there

1. Expand the training provided to prioritized suppliers to cover implementation of effective due diligence systems
2. Expand the reach of training to include more suppliers in prioritized geographies and commodities
3. Track training participation, learning, and outcomes to enable continual improvement of the supplier capability building program

3.5 Capability Building for Suppliers

Leadership

At this maturity level

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.

At the "Leadership" maturity level, the company should have embedded capability building and training as a key component of its due diligence processes. It should expand training of key suppliers to additional topics, such as changing regulations and additional capabilities needed for self-managing human rights risks and harms.

At this stage of maturity, the company routinely assesses the participants' application of training and changes in behavior on the basis of the training, and adjusts its approach accordingly.

How to get there

1. Deliver routine refresher training on key topics
2. Expand training to cover suppliers' identified human and labor rights challenges
3. Routinely evaluate the impact of training onparticipant behavior and on achieving risk and harm reduction; adjust training as needed
4. Measure the long-term impact of supplier training in terms of behavior change (e.g., how are participants applying learning to their work)

3.6 Capability Building in the First Mile

Companies' human rights strategies (3.1 Strategy and Objectives) and action plans (3.3 Action Plans) often include capability building and training of suppliers, and increasingly, these training programs extend to first mile operations. Within first mile operations, there are many target groups that can benefit from training and capability building, including the operations' own staff, the service providers they work with (e.g. labor providers or providers of services such as crop spraying), agronomists or buying agents who visit farms on a regular basis, the farmers who sell to the operation, farm workers, and others.

Some examples include:

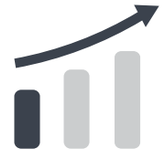
- Training for human resources personnel: how to screen job candidates (age documentation, checking whether workers have paid recruitment fees, etc.) or respond to issues such as discrimination or harassment, etc.
- Training for labor brokers: how to recruit workers, paperwork required, expectations regarding transportation, housing, and other benefits
- Training for field supervisors or crew leaders: worker treatment, hydration breaks, rest/shade breaks, personal protective equipment, etc.
- Training for agricultural extension workers: "red flags" to look for linked to child labor, forced labor, or other human rights harms
- Training for farmers or farmer organizations such as cooperatives: labor rights, legal requirements, relevant compliance standards
- Training for workers or workers' organizations: training on basic labor rights and how to raise complaints/seek redress.

Training and awareness raising programs in the first mile should be appropriate for people of different linguistic, cultural, and educational backgrounds, and with different levels of access to technology; any training or awareness raising program should be respectful of the time constraints faced by trainees, especially during labor-intensive phases of agricultural cycles.

Joseph Sorrentino/Shutterstock

3.6 Capability Building in the First Mile

Basic



At this maturity level

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.

At the "Basic" level, the company should prioritize first mile operations in at-risk commodities or geographies. It may collaborate with Tier 1 suppliers or other companies in its supply chain to identify these first mile operations.

Basic training for first mile operations often focuses on building awareness and understanding of human rights issues, local laws on these issues, and customer requirements related to human rights. It may also cover how to spot "red flags" for human rights issues, how to report red flags, and other topics. Target groups within the first mile operation can include managers, supervisors, sustainability staff, and Human Resources staff.

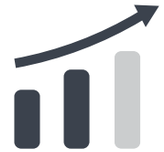
Development and delivery of training for first mile operations may be financed and driven by the company, or sometimes their suppliers, depending on the nature of the business relationship and other factors.

How to get there

1. Identify first mile operations in need of capacity building support
2. Identify key staff or target groups within those first mile operations
3. Develop training plans and materials tailored to target audiences, or work with an external partner to do so
4. Deliver (or have partner deliver) trainings, and survey participants on learnings

3.6 Capability Building in the First Mile

Established



At this maturity level

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.

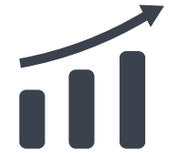
At the "Established" maturity level, first mile operations should be trained on such due diligence practices as assessing their own risks, monitoring compliance of the supplier farms from which they source, establishing grievance processes, remediating harms, and other topics.

How to get there

1. Expand the training provided to prioritized first mile operations to cover implementation of effective due diligence systems in their operations and supply chains
2. Expand the reach of training to include more first mile operations in prioritized geographies and commodities
3. Track training participation, learning, and outcomes to enable continual improvement of the supplier capability building program

3.6 Capability Building in the First Mile

Leadership



At this maturity level

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.

At the "Leadership" maturity level, capability building of first mile operations should be a standard part of the company's human rights strategy and action plans. First mile operations should have significantly increased capacity to manage their own human rights risks and impacts, and those in its supply chain.

At this level of maturity, the training program should target first mile actors such as labor recruiters, crew leaders, and workers. Depending on the most salient labor rights risks, the training could include such topics as how to identify child labor in the worksite, activities children can and cannot perform, and safe handling of agrochemicals, among many others. Training should be provided in languages and media that are appropriate to the audiences, and offer guidance in practical terms that reflects the realities and challenges that first mile actors face.

How to get there

1. Continue to expand the reach of training to additional first mile operations in order to enable self-management of salient issue risks and harms
2. Routinely evaluate the impact of training on participant behavior and in achieving risk and harm reduction
3. Use data to improve training effectiveness and drive HRDD improvements
4. Develop and implement training plans for new target audiences in the first mile
5. Ensure budget for ongoing training programs

3.7 Collaboration for Prevention & Mitigation

Because business operations exist in a variety of geographic, political, institutional, social, economic, and cultural contexts, and because the root causes of human right risks are often beyond one company's control, companies rarely achieve their human rights objectives without collaboration. Companies can collaborate with partners across the private sector, government, and/or civil society. Forms of collaboration include public-private partnerships, multi-stakeholder groups, industry-specific initiatives, industry-led platforms and associations, and landscape approaches, among others.

Together with partners, companies should explore collective ways to address common human rights risks, and design interventions that align different stakeholders' actions to complement and support one another. This is particularly important when working on landscape- or country-level root cause issues that drive risk for all companies, not just in one supply chain. For example, supporting women's financial literacy or small-scale farmer financial services can benefit local communities and mitigate the risks of child labor for all companies that source from those communities.

Collaboration provides:

- An opportunity to learn from others about good practices within a specific sector or geography, to avoid reinventing the wheel;
- A chance to gain more accurate information about conditions facing workers within a particular sector, country, or region;
- A forum for multi-company or industry-wide training and capacity building;
- A place to forge solutions to complex challenges and issues; and
- A collective platform from which to advocate for legal, policy, or regulatory reform (e.g., the strengthening of local law and public enforcement mechanisms).

Nok Lek Travel Lifestyle/Shutterstock

3.7 Collaboration for Prevention & Mitigation

Basic

At this maturity level

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.

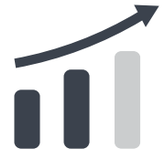
At the "Basic" level, the company may not yet have a complete picture of the collaborative initiatives that are already working in its prioritized sectors, geographies, and salient human rights areas. These should be mapped and analyzed based on relevance, degree of impact, nature of each engagement, resource commitments, level of effort required, and other factors.

How to get there

1. Identify which priority suppliers the company does not have sufficient leverage with to directly address human rights risk prevention and mitigation
2. Identify other customers of low leverage suppliers for possible collaboration
3. Identify key forums or opportunities for collaboration
4. If gaps exist, consider initiating new collaborations

3.7 Collaboration for Prevention & Mitigation

Established



At this maturity level

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.

At the "Established" maturity level, the company should have thoroughly analyzed existing opportunities for collaboration and decided to join a specific initiative or engage stakeholders in setting up a new initiative.

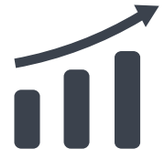
The decision to engage should come with a commitment from leadership to dedicate financial and human resources to the collaborative initiative, and commitment from staff to participate actively. This means participating in defining goals, developing theories of change, designing strategies, and setting timelines to ensure that the collaboration bears fruit. Collaborative initiatives rely on their members' active participation to achieve results.

How to get there

1. Identify staff responsible for engaging in collaborative initiatives at the headquarters level and in sourcing origins, and equip and empower them to speak on behalf of the company
2. Participate actively in selected collaborative initiatives
3. Ensure sufficient internal support (dedicated time, budget, commitments, etc.) for meaningful participation
4. Communicate about involvement in collaborative initiatives to drive participation by others and support from company leadership

3.7 Collaboration for Prevention & Mitigation

Leadership



At this maturity level

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.

At the "Leadership" maturity level, the company should continually identify new opportunities for collaboration, influence others to join, and drive strategy within the initiatives it is part of. It should have built strong relationships with key relevant government and civil society stakeholders.

How to get there

1. Continue to dedicate financial and human resources to participation
2. Team members take up key decision-making positions and are active in shaping strategy
3. Continually assess the outcomes of collaborative initiatives and push for greater impact

Maturity Benchmarking Tool

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.
3.2 Indicators & Targets	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.
3.3 Action Plans	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.

Components	BASIC	ESTABLISHED	LEADERSHIP
3.4 Ceasing Internal Drivers of Risk	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.
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.

	 BASIC	 ESTABLISHED	 LEADERSHIP
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 of 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.

Further Resources

3.1 Strategy & Objectives

To understand key considerations when planning outreach to first mile stakeholders in coffee supply chains, see Guidance on Stakeholder Engagement, by Verité's COFFEE project.

For examples of company strategies on specific salient human rights issues, Nestle's Forced Labor and Responsible Recruitment Action Plan and Child Labor and Access to Education Action Plan.

3.2 Indicators & Targets

For an example of process indicators related to implementation of HRDD, see The World Benchmarking Alliance's Corporate Human Rights Benchmark Methodology: Food and Agricultural Products Sector.

For a resource on developing human rights indicators and targets, see Shift's guidance tool Develop Targets and Indicators, Shift's Indicator Design Tool, and Shift's Indicator Design Tool Template.

3.3 Action Plans

For an example of a company's action plan related to child labor in cocoa, see Mars' Protecting Children Action Plan.

For an example of an action plan based on comprehensive root cause analysis in a specific market, see Philip Morris International's Focusing on Mexico: Improving Human Rights and Labor Practices.

3.4 Ceasing Internal Drivers of Risk

For information on the risks associated with identity document retention and steps businesses can take to address this practice, see Verité's Addressing the Retention of Identity Documents.

To learn about the relationship between commodity pricing and respect for human rights, see Shift's Red Flag 19. Sourcing Commodities That Are Priced Independent of Farmer Income.

For information on integration of environmental and social costs in prices, see True Price.

For indicators to measure internally-driven human rights risks, see Business Model Red Flags: 24 Ways in Which Businesses Could be Wired to Put People at Risk, by Shift.

3.5 Capability Building for Suppliers

To understand key considerations in designing human rights training programs for staff and suppliers, see Guidance on Communication and Training Across the Supply Chain, by Verité's COFFEE Project.

3.6 Capability Building in the First Mile

For an example of providing training to small farmers, see OFI's 2022 Coffee Lens Impact Report.

For examples of worker awareness-raising materials on how to protect themselves from extreme heat, see The Labor Law Center's Heat Stress Poster and OSHA's Work Safely in the Heat and Prevent Heat Illness at Work posters.

For free training modules on child labor and forced labor at farm level, see the Open-Source Training Modules developed by Verité's COFFEE Project.

Further Resources

For guidance on how to get started with multi-stakeholder engagement, see Step 6. Multi-Stakeholder & Multi-Brand Engagement in Verité's Fair Hiring Toolkit.

For guidance on how companies can do public policy advocacy, see Step 7. Public Policy Advocacy in Verité's Fair Hiring Toolkit.

In the agriculture sector, there are a number of industry and multi-stakeholder groups focused on sustainability, with varying levels of emphasis on human rights. Examples include Better Cotton, Bonsucro, the Ethical Tea Partnership, the Equitable Food Initiative, Fairtrade International, the International Cocoa Initiative, Rainforest Alliance, the Roundtable on Sustainable Palm Oil, the Sustainable Rice Platform, and many others. Other membership consortiums such as AIM-Progress, the Consumer Goods Forum, the Ethical Trading Initiative, the Fair Labor Association, and the Leadership Group for Responsible Recruitment also support human rights collaboration in the broader food and beverage, apparel, and fast-moving consumer goods sectors.

3.7 Collaboration for Prevention & Mitigation

For guidance on collaboration to achieve sustainability commitments, see Operational Guidance on Achieving Commitments Through Collaboration, by the Accountability Framework Initiative.

For examples of several companies pooling funds to provide remediation services for children and families in cocoa-growing communities, see the Jacobs Foundation's Child Learning and Education Facility (CLEF) and Early Learning and Nutrition Facility (ELAN) and Impactt's Funding Remedy: the World's First Remediation Bond.

Spanish Language Resources

For awareness-raising materials about the effects of heat stress on worker health, see Exposición Laboral a Estrés Térmico por Calor y sus Efectos en la Salud. ¿Qué hay que saber? and ¡Peligro! Altas Temperaturas en el Trabajo, ¿Qué hay que saber?, by the Government of Spain.

For training guides on occupational safety and health standards, see the International Labor Organization's Manual para Formadores: Reglamentación en Materia de Seguridad y Salud en el Trabajo para la Agricultura en México and Manual para Productores: Reglamentación en Materia de Seguridad y Salud en el Trabajo para la Agricultura en México.

For handouts explaining the symptoms of heat stress and how workers can protect themselves, see Consejos para Prevenir las Enfermedades Relacionadas con el Calor en el Trabajo and Planifique con antelación y prepárase, from the U.S. Department of Labor.

For guidance on keeping workers safe while handling pesticides, see Seguridad e Higiene en Los Trabajos Agrícolas, from the International Labor Organization.

FARM LABOR DUE DILIGENCE TOOLKIT

Track & Improve Human Rights Performance

4

Verité

Fair Labor. Worldwide.

Acknowledgements

The Farm Labor Due Diligence Toolkit 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.

Verité is grateful for financial and technical support for the development of the Farm Labor Due Diligence Initiative from Cargill, ECOM, Fairtrade International, Jacobs Douwe Egberts, Mars, Incorporated, McDonald's Corporation, Philip Morris International, and Rainforest Alliance. We would also like to acknowledge insights gained from collaborations with many other food and beverage and apparel companies, civil society organizations, certification standards, and multistakeholder initiatives — all of which inform our understanding of comprehensive human rights due diligence in agriculture.

Cover photo: Maurotoro/Shutterstock

Understanding Farm Labor Due Diligence

Labor rights due diligence in agriculture is not inherently different from human rights due diligence (HRDD) in other sectors. 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.

How to Use This Guidance Document

The Verité Farm Labor Due Diligence Toolkit contains separate guidance tools for each of the six top-level elements of human rights due diligence. Each tool begins with a brief element overview and explains the role the element plays within the overall HRDD system.

The main body of each tool defines the core components that make up the element, and outlines practical pathways to implement and improve these components over time. Three maturity levels are described for each component – Basic, Established, and Leadership – represented by the icons below. For each level of each component, the toolkit describes what a company at that level of maturity should have in place, and suggests key actions the company can take to get there. A summary benchmarking tool, and a curated list of additional resources, are included at the end of each element.

It is important to note that companies often develop different parts of their 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. All stakeholders should remember that HRDD is an ongoing process. Even when a company reaches a leadership 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.

BASIC

ESTABLISHED

LEADERSHIP

/857902O1/Adobe Stock

4 Track & Improve Human Rights Performance

Components of This Element

4.1 Grievance Mechanisms

4.2 Monitoring of Suppliers

4.3 Farm Monitoring & Auditing

4.4 Continual Improvement of Due Diligence

How can a company know if its human rights due diligence systems are actually working to improve conditions for people affected by its operations and supply chains? Tracking progress is the way to answer that question. Element 4 includes four important components of tracking progress:

1. using grievance mechanisms to identify and understand complaints from workers and others so they can be effectively addressed;
2. monitoring or auditing to check suppliers' HRDD performance and identify problems so they can be addressed;
3. using monitoring or auditing to check suppliers' HRDD performance and identify problems at farm level so they can be addressed; and
4. using these and other processes to continually improve overall HRDD.

Tracking progress and driving continual improvement on HRDD requires both commitment and ambition. The company must be willing to face difficult issues, listen to its workers and suppliers, and subject itself and its suppliers to regular evaluation as it consciously strives to do better year on year. A useful guiding motto is "No blind spots, no surprises." It takes effort and will to improve human rights performance, but doing so is always better than allowing issues to fester undetected and unaddressed. When persistent issues or system failures do occur, the company or its suppliers should identify their root and contributing cause(s). There usually isn't a single 'root' cause and one solution, but investing resources in focusing on causes rather than symptoms is the most sustainable strategy in the long run.

4.1 Grievance Mechanisms

Every company should establish or participate in grievance mechanisms to provide channels for individuals and communities at risk or affected by human rights harms to raise concerns and have them addressed. Grievance mechanisms provide a way for companies and their suppliers to learn of human rights issues in the regions where they operate and source, and are crucial for stakeholders whose human rights have been violated to access remedy.

Principle 31 of the UNGPs provides clear guidance on the necessary characteristics of non-judicial grievance mechanisms: they must be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

Simply having a grievance mechanism in place in a supply chain is not enough if it is rarely used by the population it is trying to reach. For workers and community members to use a grievance mechanism, they must see it as trustworthy and fair, be able to access it easily, and have confidence that their complaints will be taken seriously and result in helpful outcomes. Grievance mechanisms often involve establishing committees or other working groups, and implementers should reach out to affected stakeholders to build awareness and trust — a process that can take time. It should always be possible to submit grievances anonymously if desired, and people filing complaints must be protected from retaliation.

The design of grievance mechanisms should reflect the workforce population, languages, cultural characteristics, literacy levels, access (or not) to phones and internet, and other factors. Grievance mechanisms should be available to all stakeholders, including migrant workers and seasonal and temporary workers. Creative approaches such as outreach in migrant-sending communities and community-based or regional complaints systems may be necessary to reach some populations.

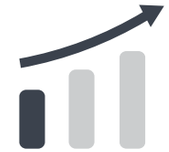
Staff or external providers operating the mechanism should be trained on their roles and responsibilities, with standard operating procedures for receiving and processing complaints, initiating remediation and/or referral to appropriate services, and following up to ensure cases are resolved effectively. Large companies may also need to invest in integration of data from grievance systems established in different business units or supplier operations.

Grievance mechanisms should never replace other forms of supply chain monitoring, stakeholder engagement, and collective bargaining processes. They should not be used to undermine the role of legitimate trade unions in addressing labor-related disputes, or prevent workers' other means of accessing remedy.

KYTan/Shutterstock

4.1 Grievance Mechanisms

Basic



At this maturity level

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.

At the "Basic" level, the company should "start at home" by putting in place grievance mechanisms that are accessible to their own employees and affected local communities. The company can choose to manage grievance mechanisms in-house, or work with an external provider. It may also build upon existing complaint channels like workers' organizations or committees.

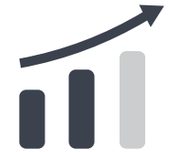
At this stage of maturity, companies should also require their suppliers to have grievance mechanisms in place, and this requirement should flow down to suppliers' suppliers (i.e., Tier 2 suppliers or indirect suppliers). Enforceable contractual terms are important to ensure that suppliers are accountable to this commitment.

How to get there

1. Engage stakeholders to determine which channel(s) they are most likely to use
2. Determine who will manage and administer the grievance mechanism
3. Establish channel(s) for receiving and systems for handling grievances
4. Train responsible team(s)
5. Promote mechanism among potential users
6. Cascade requirement to suppliers to have their own grievance mechanisms

4.1 Grievance Mechanisms

Established



At this maturity level

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.

At the "Established" maturity level, the company should expand its own grievance mechanism to a broader range of affected stakeholders, including workers of suppliers and sub-suppliers, as well as farmworkers and community members in the first mile of agricultural production. The company should support its staff or external provider to improve the grievance system, for example through adding additional complaints channels or promoting uptake in target communities through awareness raising.

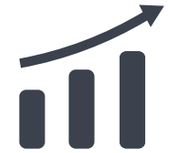
At this stage of maturity, the company should also require its suppliers to report on the implementation of their grievance mechanisms, and support them with guidance, tools, and/or training to facilitate the development of effective grievance systems in its supply chains and/or sourcing regions.

How to get there

1. Receive and process grievances from grievance mechanism
2. Extend coverage of grievance mechanism to enable access to all affected stakeholders, including in the first mile, for high-risk commodity-geography contexts
3. Provide guidance to suppliers on what types of grievance to report to the company and how to do so
4. Evaluate the effectiveness of own grievance mechanisms and those of suppliers, engaging stakeholders to determine whether the systems are resulting in meaningful remedy
5. Provide support to suppliers as needed
6. Map any existing multi-sector or multi-company grievance mechanism initiatives

4.1 Grievance Mechanisms

Leadership



At this maturity level

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.

At the "Leadership" maturity level, the company should have significantly expanded the reach of its grievance system to cover stakeholders in all geographies where its operations and supply chains are known to have salient issues.

The company should be confident that its own grievance mechanism and those of suppliers in the riskiest supply chains are operating effectively to surface human rights harms and result in meaningful remedy for affected stakeholders.

How to get there

1. Analyze and use grievance mechanism data to drive improvements (4.4 Continual Improvement of Human Rights Due Diligence) and report on impact (6.3 Public Reporting on Impact)
2. Join existing collaborations on regional and/or sectoral grievance mechanisms, or work with partners to establish new collaborations
3. Conduct outreach to workers and other relevant stakeholder groups to improve accessibility and effectiveness of grievance mechanisms

4.2 Monitoring of Suppliers

Because almost all companies depend on their suppliers to some extent to implement human rights due diligence upstream in their supply chains, monitoring of the effectiveness of suppliers' HRDD systems, processes, and procedures to ensure they are working as intended is essential for a company's own HRDD.

Monitoring can take many forms and ideally combines a variety of sources of information and methods to generate insight into supplier HRDD performance. System improvement assessments, verification of remediation or mitigation, targeted issue auditing, self-reporting, grievance tracking, and worker hotlines are just some of the ways companies can gather data about how well their suppliers are doing at identifying and addressing human rights issues. The form that monitoring activities take should be determined by the objective: i.e., what data is needed, and how it is going to be used. Monitoring may focus on implementation of management systems or action plans; other monitoring may explore the effectiveness of supplier risk controls and remediation efforts to drive impact on specific human rights issues.

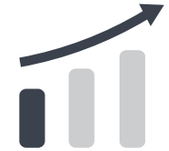
Expense is often an important consideration, since supplier monitoring is an ongoing aspect of the company's HRDD system, informing other important components such as procurement practices (1.3 Procurement Practices) and continual improvement (4.4 Continual Improvement of Human Rights Due Diligence). There are a number of ways to conserve resources while still gaining needed insights, through sampling or use of shared supplier reporting platforms, for example. For raw materials that are certified by respected third-party certifiers, it may be tempting to assume that additional monitoring is not needed. While the certification program's standards and assurance systems may be strong, periodic validation is still important, so that companies can engage with certification organizations that may be falling short of expectations.

Monitoring of suppliers should take into account the perspectives of managers, as well as external stakeholders such as civil society organizations, but the views and experiences of workers in the supplier's operations and supply chain are particularly important, especially those workers most vulnerable to human rights harms, such as women, migrants, ethnic minorities, and young workers. Since such people can be hesitant to speak with auditors or other investigators for fear of retribution from employers, companies should invest in research approaches and implementers that are able to reach and elicit input from a diverse pool of workers.

Budimir Jevtic/Adobe Stock

4.2 Monitoring of Suppliers

Basic



At this maturity level

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.

At the "Basic" level, the company should communicate its policies and performance standards to its suppliers through its supplier code of conduct (1.1 Policies and Performance Standards), and screens its suppliers for their commitment and capacity to comply with its requirements (1.4 Internal Capability) as part of its precontracting due diligence. It should also communicate performance objectives and targets to its suppliers, and establish data systems for them to report into (3.1 Performance Objective and Targets).

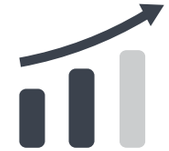
In order for a company to evaluate how well an active supplier is doing at meeting its human rights expectations, however, it must use these data, as well as other means of collecting insight into supplier performance.

How to get there

1. Review audits (4.3 Farm Monitoring and Auditing) and supplier precontracting due diligence screening (1.3 Procurement Practices) to identify suppliers in at-risk sectors or geographies and those with limited capacity to manage risks adequately
2. Consider use of supplier data aggregation provider
3. Review findings from saliency assessment (2.2 Saliency Assessment) and in-depth assessment (2.3 In-Depth Assessment of Risks and Harms) on riskiest geographies and commodities
4. Identify suppliers to target for heightened monitoring

4.2 Monitoring of Suppliers

Established



At this maturity level

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.

At the "Established" level, the company should regularly monitor its suppliers' HRDD performance, using methods that are appropriate to the supplier's risk for salient issues. For some suppliers, an audit of its management systems might be necessary, while for others, a Self-Assessment Questionnaire and verification of self-reported data with another data source, such as third-party platform data, might be sufficient.

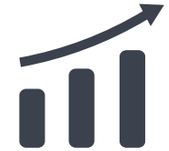
Monitoring should assess how well the supplier is proactively addressing risk at the management system level, and can help to identify root causes of system failures.

How to get there

1. Develop tailored assurance approaches for different supplier risk profiles
2. Select provider(s) if monitoring will be outsourced; assign and train responsible staff if done internally
3. Implement supplier monitoring program, and engage suppliers to develop performance improvement plans (PIPs) to address gaps or weaknesses
4. Communicate expectations to suppliers about the collection and reporting of HRDD data (both systems maturity and performance on salient issues)
5. Incorporate supplier performance tracking into HRDD data systems
6. Allocate ongoing budget for supplier monitoring efforts

4.2 Monitoring of Suppliers

Leadership



At this maturity level

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.

At the "Leadership" maturity level, the company should be routinely using monitoring data to drive improvements in suppliers' performance.

Supplier HRDD data should be verified independently, and triangulated with input gathered from workers and other affected stakeholders.

How to get there

1. Review supplier HRDD performance at least annually
2. Intensify engagement with (or consequences for) persistently problematic suppliers
3. Reward good performers with larger volumes, longer term contracts, premiums, etc.
4. Establish third-party verification of supplier HRDD data
5. Use worker surveys or worker voice applications to gather input on supplier practices and systems for identifying and addressing human rights issues

4.3 Farm Monitoring & Auditing

Given the pervasiveness of family labor, seasonal labor migration, informality in hiring, sub-minimum wage pay, occupational health and safety hazards, and other labor rights issues in the production of agricultural commodities, a company's supply chain monitoring and auditing must reach the farm level.

Where possible, companies should have their own internal monitoring staff conduct farm monitoring, or support their suppliers to develop farm monitoring programs. Internal monitoring gives the company more control over monitoring methods, data collection, and quality. However, internal monitoring is typically more expensive than outsourcing audits to a third party such as an auditing or certification program, so internal monitoring is often phased in over time.

If opting for third-party audits or certification, it is important to note that audit/certification programs vary tremendously in their coverage of human rights issues and auditing/assurance methods. Companies should select the most rigorous option from the programs available in their commodities and countries of focus and should aim to expand their internal monitoring over time.

Most monitoring, auditing, and certification programs work on a sampling basis, covering a sample of the company's farmer base. Over time, this sample should increase, until monitoring covers all farms in the company's most at-risk commodities and geographies. Frequency of monitoring/auditing visits is also an important consideration. It is common for compliance or certification audits to take place once a year or even less frequently. Monitoring farms multiple times per growing season is much more likely to reveal an accurate and complete picture of human rights issues.

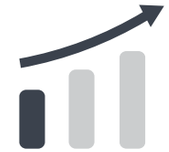
All monitoring visits should include farm observation, document review, and interviews with management, supervisors, workers, and other stakeholders. It is critical that monitors are trained in proper ways to conduct worker interviews. Information obtained from worker interviews should be kept anonymous if possible, and interviewees should be protected from retaliation. Whenever possible, farm visits should not be announced in advance.

The accuracy of findings from farm monitoring should be confirmed by comparing information from different sources. For example, monitors might interview local officials or hold community focus groups to gain additional insight. Companies may also wish to collaborate with a local civil society organization or other partner to check on the accuracy of insights from monitoring carried out by first mile operations. This will enable them to adjust incentive structures, optimize training programs, or make other changes to improve monitoring quality and supplier performance on human rights over time.

Erics Media/Shutterstock

4.3 Farm Monitoring & Auditing

Basic



At this maturity level

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.

At the "Basic" level, decisions about internal monitoring vs. third party auditing depend on customer requirements, supplier relationships, staffing structures, available providers, costs, and many other factors.

Internal monitoring, whether done by the company's own staff or by supplier staff, gives the company more control over monitoring methods, data collection, and quality. It is typically more expensive than outsourcing audits to a third-party, so internal monitoring is often phased in over time.

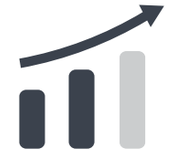
Internal monitors can be specifically hired to monitor human rights issues; alternatively, the company can train agronomists, buying agents, and/or other staff who regularly visit farms to do human rights monitoring.

How to get there

1. Secure resources for monitoring/auditing program
2. Decide whether to develop and deploy internal monitors, use external audits or certifications, or combine these approaches
3. If using external audits, select auditing/certification provider(s)
4. If using internal monitors, build monitoring program or collaborate with suppliers to build it; design data collection tools, hire and train monitors
5. Ensure that any findings from audits or monitoring visits are followed up through a corrective action plan (5.2 Remediation of Harms)
6. Ensure that monitoring/auditing covers all salient and prioritized human rights issues, geographies, and commodities

4.3 Farm Monitoring & Auditing

Established



At this maturity level

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.

As the company expands its internal monitoring program, it should also ensure that the same data points are gathered across geographies and sectors, so they can be aggregated and available for analysis.

At the "Established" level, not only should the scope of internal monitoring increase, but the nature of monitors' engagement with farmers should also change. Monitors should engage with farmers in a collaborative manner, supporting them to develop corrective action plans where needed and improve their labor practices.

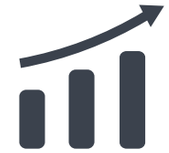
In commodities and countries where the company relies on third party audits or certifications, the company should work to ensure that those providers' assurance systems are adequate to identify and address human rights harms. For example, if an audit/certification methodology does not include worker interviews, or its sample size of farms is very small, the audit/certification program simply cannot be considered sufficient to monitor human rights issues.

How to get there

1. Over time, increase the proportion of monitoring done internally by company or supplier staff
2. Where internal monitoring is used, standardize data points gathered at the farm level, and align with other relevant frameworks (national/international)
3. Continue to build the capacity of the company's or suppliers' internal monitors
4. Where third-party audits are used, engage with audit/certification providers to understand their auditing approaches and push for improvements where needed
5. Whenever human rights harms are found through monitoring visits or audits, ensure that corrective action plans are fully implemented and that affected persons receive remedy (5.2 Remediation of Harms)

4.3 Farm Monitoring & Auditing

Leadership



At this maturity level

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.

At the "Leadership" level, the company should use year-on-year monitoring data to identify opportunities to improve monitoring quality and monitors' capabilities. It should also use monitoring data to inform human rights programming and adjust its action plans as needed (3.3 Action Plans).

The company should commission external third-party verification audits to validate its internal monitoring data and control for biases or errors.

How to get there

1. Secure permanent budget for comprehensive and effective internal monitoring
2. Where internal monitoring is used, increase sample sizes, eventually reaching 100 percent coverage of all farms, and increase frequency of monitoring
3. Expand internal monitoring to more at-risk supply chains and geographies
4. Engage a third party to verify internal monitoring data; compare third-party data with internal data and adjust incentives and training for monitors as needed

4.4 Continual Improvement of Due Diligence

An effective overall HRDD management system drives improvements in each of its elements and components, becoming increasingly comprehensive, effective, and efficient over time. Improvements should happen in real time as weaknesses are spotted, but often also result from an annual review of the whole system, asking: Is our approach working the way we intended? Are we on track to meet our human rights objectives?

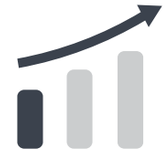
Continual improvement requires understanding what isn't working and why. To know what isn't working, a company needs to look at each area of its HRDD system, and ask questions like:

- **Policies**: Are our human rights policies adequate? Are they clear? Are they in line with those of leading peers? How well are we communicating them to key internal and external stakeholders?
- **Procurement practices**: How effective — or willing, or enabled — are our buying teams in screening suppliers for human rights performance and applying performance-based consequences? Do our contracting and onboarding processes support our suppliers to comply? How often are consequences, both incentives and disincentives, applied?
- **Capability building**: Do we have the right people in the right jobs, and have we enabled them to be successful through training, communications, and other support systems?
- **Risk and saliency assessment**: Have we identified the right salient issues? Are there issues we have missed? Are we distracted by salient issues that have very low probability?
- **Objectives and targets**: Are we using the right KPIs and targets? What's our success rate in meeting our targets? Have we been too ambitious, or can we challenge ourselves more? Should we expand our scope?
- **Information/data systems**: Are we collecting the data we need to make the best decisions and have the impact we want? Is our data reliable? Relevant? Actively used? Is it sufficient?
- **Grievance systems**: Do our grievance mechanisms work (both our own and those in our supply chain)? What's the uptake level compared to our targets? What's the feedback on accessibility and whether they are trusted? What possible barriers do we need to address?
- **Remediation**: What are our top areas of non-compliance? Are corrective action plans appropriate and proportionate to the non-compliance? What's our record on recurrence of issues?
- **Partners**: Are we working with the right collaborators to drive progress? Are our partnerships effective in addressing key risks to people in our supply chains? If not, are there ways we could strengthen the partnership or are there new potential collaborators we should be approaching?

Jerry Horbert/Shutterstock

4.4 Continual Improvement of Due Diligence

Basic



At this maturity level

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.

At the "Basic" level, the company should gather information from different business units, teams, and supply chains, and review existing data, such as grievance data, supply chain maps or risk models, information on training programs, and data on human rights harms identified and remediated. If KPIs or other metrics are already being used to track progress on HRDD implementation and/or impact, these are good to take stock of as well.

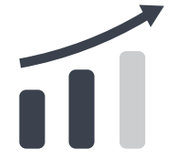
Review of this information and speaking with relevant stakeholders enables the company human rights lead (or team) to identify gaps and needs, and clarify areas for focused attention within its HRDD system.

How to get there

1. Identify existing human rights-related programs and systems across the company's functions and business units
2. Review human rights data already being collected, including on supplier performance
3. Interview relevant internal stakeholders to identify challenges, gaps, and needs
4. Benchmark the level of implementation maturity for each component of the company's HRDD system, and develop timelines for improvement of each as needed

4.4 Continual Improvement of Due Diligence

Established



At this maturity level

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.

At the "Established" maturity level, the company should work internally with relevant business units to improve the different components of its overall HRDD system and to identify and address persistent issues. It should engage with underperforming suppliers to understand root causes, require improvements, and support them to improve. The company may offer suppliers incentives for good practices, for example through lightened data reporting requirements, price premiums, or longer contracts. The company may also notify suppliers of consequences if expectations are not met, for example reduction of volumes or contract termination.

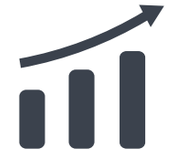
The company should also deepen its HRDD within prioritized supply chains and widen its coverage to additional geographies and/or commodities. It should begin to hold itself accountable for progress not just on HRDD implementation, but also on impact.

How to get there

1. Develop specific action plans to address internal HRDD system gaps or capacity needs, including indicators and time-bound milestones to ensure progress
2. Establish prioritized list of persistent issues to tackle, conduct root cause analysis of them, and develop targeted action plans for each
3. Provide tools, guidance, etc. for internal and external actors needing support
4. Engage with and develop performance improvement plans for suppliers or other relevant actors needing support (such as auditors, certification organizations, recruiters, and farmers)

4.4 Continual Improvement of Due Diligence

Leadership



At this maturity level

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.

At the "Leadership" level, the company should have actively embedded respect for human rights in its business practices and management systems. Its leaders should recognize the importance of HRDD, and reinforce their commitments to human rights goals by adjusting their business models, allocating necessary resources, and factoring performance on human rights into promotion and compensation decisions.

The human rights team should be focused on improving HRDD data quality, ensuring that key concepts, tools, and indicators are fit for purpose and increasing the sophistication of impact tracking and reporting.

All at-risk supply chains should be covered by due diligence systems appropriate to their risk profiles, and the company should review its operations and supply chains on an ongoing basis to keep its saliency and risk analyses up to date.

How to get there

1. Carry out regular human rights audits and senior review of HRDD system performance
2. Track and report on improvement over time of both system maturity and impact on salient issues (3.2 Indicators and Targets)
3. Secure funding for any necessary investments in major system improvements
4. Work to improve the quality of HRDD data by deploying targeted training or other support to relevant stakeholders
5. Engage an independent third party to verify progress

Maturity Benchmarking Tool

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.

Components	BASIC	ESTABLISHED	LEADERSHIP
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.
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.

Further Resources

4.1 Grievance Mechanisms

For several case studies of good practices in the implementation of grievance mechanisms in agricultural operations, see A Study on the Implementation of Grievance Mechanisms: Reviewing Practice Across RA-Certified Farms and Groups, by Ergon Associates.

For a discussion of some key considerations in setting up a grievance mechanism, see Access to Remedy: Practical Guidance for Companies, by the Ethical Trading Initiative, and Remediation, Grievance Mechanisms and the Corporate Responsibility to Respect Human Rights, by Shift.

For perspectives on the relationship between unions and company-led grievance mechanisms, see Grievance Mechanisms, Remedies and Trades Unions: a Discussion Document, by Dr. Aidan McQuade, and ITUC's Legal Guide for Setting up an Operational-level Grievance Mechanism.

For examples of tracking and reporting on grievance mechanisms in palm oil supply chains, see the Managing Grievances section of Cargill's Palm Sustainability Dashboard and the Unilever Palm Oil Grievance Tracker.

For examples of sector- and geographic-level, multi-company grievance mechanisms in the coffee sector, see the Global Fund to End Modern Slavery's *Nossa Voz* Grievance Mechanism in Brazil and Promoting Ethical Recruitment in the Coffee Sector of Minas Gerais, Brazil, by Verité.

For a discussion of the pros and cons of working with third party providers of grievance mechanisms, see Using Third Parties to Support the Design and Implementation of Grievance Mechanisms, by The Remedy Project.

To understand how to set up effective processes for worker engagement, see the Responsible Sourcing Tool's resource on Worker Engagement: Enabling Workplace Communication, Worker Agency, and Grievance Management.

4.2 Monitoring of Suppliers

For an example of a supplier self-assessment questionnaire, see the Responsible Sourcing Tool's Sample Food and Beverage Supplier/Subcontractor Self-Assessment.

For examples of self-assessment questionnaires (SAQs) for different actors in a supply chain, see the SAQ for Coffee Traders, the SAQ for Coffee Producers, and the SAQ for Labor Brokers by Verité's COFFEE Project.

For an example of how buyers can assess suppliers' level of engagement on human rights issues, see The Ethical Charter Implementation Project.

For guidance on how to monitor farm labor brokers, see the Booklet on Monitoring Labor Brokers in the Coffee Supply Chain and Guidance on Monitoring Labor Brokers, by Verité's COFFEE project.

For sample interview questions for labor brokers as part of monitoring or auditing, see Labor Broker Interview Questions, by Verité's COFFEE project.

4.3 Farm Monitoring & Auditing

For a case study on a company's farm-level monitoring and remediation system, see Philip Morris International's Taking Action to Eliminate Child Labor from our Leaf Supply Chain: Progress Update 2019.

To understand how companies can evaluate and benchmark agricultural certification programs, see the Consumer Goods Forum's Sustainable Supply Chain Initiative (SSCI) Benchmark and Rights Co-Lab's Certification Red Flags.

Further Resources

For a resource on considerations when auditing for child labor, conducting age verification, and interviewing children, see Comply Chain's Auditing for Child Labor Guide, by the U.S. Department of Labor.

For information on one company's approach to farm monitoring, see Celebrating 10 Years of the ALP Program, an anniversary report of the Agricultural Labor Practices program from Philip Morris International.

For guidance on how to interview migrant workers as part of monitoring or auditing, see the Responsible Sourcing Tool's Conducting Migrant Worker Interviews.

For an example of a company approach to farm-level human rights data collection, see For the Better: Ferrero Group Sustainability Report 2019.

For sample farm worker interview questions as part of monitoring or auditing, see Worker Interview Questions, by Verité's COFFEE project.

4.4 Continual Improvement of Due Diligence

For an example of farm-level data collection and reporting, see Celebrating 10 Years of the ALP Program, an anniversary report of the Agricultural Labor Practices program from Philip Morris International.

For a case study of a company's approach to engaging with farm-level stakeholders, see Philip Morris International and Shift's Evaluating Child Labor Programs: Uncovering How Local Norms Impact Field-Level Relationships Between Farmers, Workers and Children.

For more information on using technology for data collection in agricultural sectors, see the United States Agency for International Development's Data-Driven Agriculture: The Future of Smallholder Farmer Data Management.

Spanish Language Resources

For guidance on identifying victims of forced labor in a workplace, see Anexo 8 Modelo de Cuestionario Aleatorio a Trabajadores.

For a discussion on proper handling of workers' personal data, see Protección de los datos personales de los trabajadores from the International Labor Organization.

For specific guidance on monitoring health and safety conditions of agricultural workers, see Guía para la Vigilancia de la Salud de los Trabajadores del Sector Agrario from the Government of Spain.

FARM LABOR DUE DILIGENCE TOOLKIT

Remediate Human Rights Harms

5

Verité

Fair Labor. Worldwide.

Acknowledgements

The Farm Labor Due Diligence Toolkit 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.

Verité is grateful for financial and technical support for the development of the Farm Labor Due Diligence Initiative from Cargill, ECOM, Fairtrade International, Jacobs Douwe Egberts, Mars, Incorporated, McDonald's Corporation, Philip Morris International, and Rainforest Alliance. We would also like to acknowledge insights gained from collaborations with many other food and beverage and apparel companies, civil society organizations, certification standards, and multistakeholder initiatives — all of which inform our understanding of comprehensive human rights due diligence in agriculture.

Cover photo: Zharov Patel/Shutterstock

Understanding Farm Labor Due Diligence

Labor rights due diligence in agriculture is not inherently different from human rights due diligence (HRDD) in other sectors. 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.

How to Use This Guidance Document

The Verité Farm Labor Due Diligence Toolkit contains separate guidance tools for each of the six top-level elements of human rights due diligence. Each tool begins with a brief element overview and explains the role the element plays within the overall HRDD system.

The main body of each tool defines the core components that make up the element, and outlines practical pathways to implement and improve these components over time. Three maturity levels are described for each component – Basic, Established, and Leadership – represented by the icons below. For each level of each component, the toolkit describes what a company at that level of maturity should have in place, and suggests key actions the company can take to get there. A summary benchmarking tool, and a curated list of additional resources, are included at the end of each element.

It is important to note that companies often develop different parts of their 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. All stakeholders should remember that HRDD is an ongoing process. Even when a company reaches a leadership 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.

BASIC

ESTABLISHED

LEADERSHIP

/857902O1/Adobe Stock

5 Remediate Human Rights Harms

Components of This Element

5.1 Response Protocols & Processes

5.2 Remediation of Harms

Remediation is both the process of providing remedy for a human rights harm, as well as the outcome of this process. The OECD Guidelines state that companies must "provide for or cooperate in remediation when appropriate." When is this appropriate? According to the UN Guiding Principles on Business and Human Rights (UNGPs), a company is expected to provide for or cooperate in remediation in situations in which it has caused or contributed to a negative impact, and/or is directly linked to a negative impact. The work that the company has done to have visibility into its supply chains (2.1 Supply Chain Mapping), and its work on in-depth assessments and identification of root causes (2.3 In-Depth Assessment of Risks and Harms), can help clarify situations where the company should be involved in remediation, as well as inform an appropriate level and form of remedy.

Remediation varies according to the kind of human rights harm that took place. It can take the form of apologies, restitution, rehabilitative services, and/or financial or non-financial compensation for victims. It sometimes includes punishments for perpetrators, and it often entails changes in policies or practices to prevent recurrence of the harm.

The right remedy:

- specifically addresses the negative impact, harm, or loss that ensued from a company's practice or action;
- is based on a solid understanding of the case or violation, supported by a rigorous investigation;
- is carried out/supported by the appropriate parties; and
- reflects the input of affected stakeholders, who can both provide information about the nature and cause(s) of the harm, and help identify the best course of action to remedy the situation.

Since the highest risks for human rights harms in agricultural supply chains are usually found in the first mile, it is particularly important that first mile actors are prepared to take action and provide remedy when harms occur. However, companies at every level of supply chains must have systems in place to respond to and remediate human rights harms that occur in their operations, and should ensure that their suppliers have such systems in place as well. Component 5.1 discusses what companies should have in place to respond to findings of human rights harms and ensure provision of remedy; Component 5.2 provides specific guidance on corrective actions and remediation in the first mile.

5.1 Response Protocols & Processes

A company can become aware of a human rights harm through a variety of channels. A worker may file a complaint with a workers' representative or through a grievance mechanism (4.1 Grievance Mechanisms), or report a grievance directly to company management or staff. Company personnel may come across red flags for harms while providing technical assistance, during farm monitoring visits (4.3 Farm Monitoring and Auditing), or in the course of normal business activities. Issues may also be exposed through social audits, company stakeholder outreach, NGOs, or media reports. No matter how a company learns of a possible human rights harm associated with its operations or supply chain, it must respond to this information; inaction can increase harm to affected stakeholders and pose serious legal and reputational risks to the company. If the harm is confirmed to have taken place, then the company must ensure remedy is provided to the affected stakeholder(s).

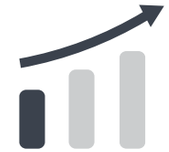
There is no one-size-fits-all model for responding to news of a potential human rights harm; every company should develop an approach to response that suits its internal structure and ways of working. However, it is good practice for a company to develop a response protocol to guide its actions when faced with a finding of a human rights harm in its operations or supply chain, since such situations demand quick action and are high-stakes for all involved. Some companies also choose to develop product- or salient issue-specific response protocols, to guide actions in specific business units, or when particularly vulnerable persons are involved, such as children or victims of human trafficking. Any protocol should lay out roles and responsibilities for the various actors who are responsible for taking actions to respond to the issue.

Companies need to have adequate management systems and staff capability to carry out these actions, document cases, and track remediation actions taken. This may require investment to build or improve internal systems and strengthen or expand staff and supplier capabilities (1.4 Internal Capability, 3.4 Capability Building for Suppliers, and 4.4 Continual Improvement of Human Rights Due Diligence). It may also require companies to use their leverage and oversight to ensure that remediation takes place in their supply chains when necessary (1.1 Policies and Performance Standards, 1.3 Procurement Practices, and 4.2 Monitoring of Suppliers).

Yaroslav Astakhov/Adobe Stock

5.1 Response Protocols & Processes

Basic



At this maturity level

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.

At the "Basic" level, companies should develop a response and remedy protocol that provides guidance and actions to take on issues such as:

- Safeguarding affected stakeholders and protecting confidentiality
- Investigating and verifying the complaint or finding
- When to report situations, which types of situations, to whom, and how
- Determining appropriate remedy if necessary
- Implementing and verifying remediation
- Adjusting management systems to prevent recurrence

Key internal staff should be familiar with the steps they should take if the need arises, and should have the systems and capacity to carry this out.

The company should clearly communicate to suppliers their responsibilities for remedy, and provide instructions to suppliers on what issues they should escalate to the company, when, and how. Some companies require their suppliers to develop their own response and remedy protocols.

How to get there

1. Identify potential issues, scenarios and causes for which response and remediation could be needed
2. Draft a company-level response protocol that is calibrated to different levels of control, leverage and influence within the company
3. Train staff on the response protocol's purpose, roles and responsibilities, and how to use the response protocol
4. Establish data collection and handling systems that ensure documents and records are usable for tracking issue resolution and trends
5. Communicate to suppliers their roles and responsibilities in the response and remedy process

5.1 Response Protocols & Processes

Established

At this maturity level

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.

At the "Established" maturity level, the company should be actively engaging and supporting field staff and relevant suppliers with guidance, tools, and/or training on response and remediation, putting them in a position to implement necessary actions.

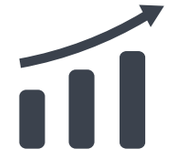
How to get there

1. Support at-risk suppliers and field staff with tools and training on how to implement the response protocol
2. Engage stakeholders in review and strengthening of response process
3. Track whether the response protocol is being followed
4. Establish process for holding suppliers accountable for use of response protocol and effective remediation (5.2 Remediation of Harms)

Ultrakwang/Shutterstock

5.1 Response Protocols & Processes

Leadership



At this maturity level

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.

At the "Leadership" maturity level, the company should perform oversight to verify that response processes are being implemented correctly and that remediation is effective. The company should expand the coverage of response and remedy processes to all relevant origins of sourcing.

In addition, the company should be pursuing innovative approaches to remedy including working with multi-stakeholder partners.

How to get there

1. Routinely evaluate response processes for effectiveness, including engaging independent third parties and other stakeholders for external review
2. Reinforce expectations of suppliers to follow the company's response protocol, as part of supplier performance reviews
3. Expand scope of supplier engagement to all prioritized commodities and geographies, including at the first mile level

5.2 Remediation of Harms

If a human rights harm occurs on a farm or other workplace in the supply chain, the company and/or its supplier must take prompt action to protect the affected person(s), provide remediation, and ensure that the issue does not recur. In practice, this often happens through the creation and implementation of a Corrective Action Plan (CAP).

A robust CAP should cover the following steps:

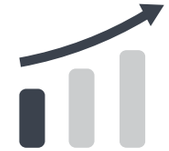
- safeguarding of the affected worker(s) or other stakeholder(s), particularly if they face immediate danger, being sure to gain their consent to take any further actions
- evaluating and documenting the issue, including gathering information about who was affected, how they were affected, and when, and where the harm occurred
- identifying the underlying root causes that led to the issue
- defining the appropriate type, form, scale, etc. of remedy and other corrective actions that are needed, drawing on input from affected stakeholders
- determining the appropriate parties to provide compensation, services, or other appropriate remediation to the affected stakeholder(s)
- defining indicators and timelines to ensure that remediation and other corrective actions are successfully implemented
- adjusting management systems and/or implementing community-level solutions to prevent recurrence
- following up on cases to ensure and document that remedy is complete and sustainable

In agricultural settings, determining appropriate remedies often requires local knowledge and understanding of cultural factors and other contextual causes of human rights issues. For example, if a child is found in an audit to be carrying heavy loads (a form of hazardous child labor), root causes could include the family's inability to pay school fees, the child's lack of a birth certificate, the family's indebtedness to a landlord under a sharecropping agreement, the lack of a water source near to the farm, or many other issues. In each of these circumstances, the remediation actions would be different. Regular stakeholder engagement with affected stakeholders is crucial to providing appropriate remedy and ensuring that root causes of human rights harms are addressed.

Rawpixel.com/Shutterstock

5.2 Remediation of Harms

Basic



At this maturity level

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.

At the "Basic" level, the company, or its supplier, should develop its ability to create CAPs that contain all of the elements above (Introduction to this component). Since implementation of CAPs often requires significant resources, it is important that the company/suppliers have dedicated budgets and/or human resources to deploy in remediation situations that may arise.

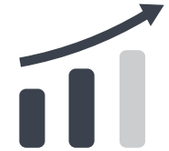
A key aspect of preparing for remedy is mapping organizations in the local area that can provide services to people identified in a risky or harmful situation. Examples might include women's support centers, children's advocacy organizations, religious organizations that offer protective services, legal support services, and government offices. Being familiar with these sorts of local resources helps staff and/or suppliers refer affected persons appropriately.

How to get there

1. Secure necessary resources for provision of remedy
2. Identify services available in the relevant geographic area (government, NGOs, other), to which affected persons can be referred if remediation is needed
3. When a human rights harm is identified, create a corrective action plan detailing both remedy to the affected person(s) and prevention of recurrence
4. Implement corrective action plan in the timeframes specified

5.2 Remediation of Harms

Established



At this maturity level

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.

At the "Established" maturity level, the relevant staff within the company and/or suppliers should be familiar with the response protocol and corrective action planning process, and should be strengthening their ability to implement these processes and prevent harms from occurring.

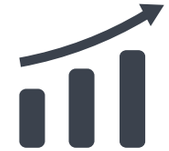
The company and/or suppliers should have formal tracking systems in place to track the progress of cases being remediated and ensure that harms do not recur.

How to get there

1. Follow up on cases to ensure remedy was implemented and effective
2. Refer affected persons to remediation resources when needed
3. Routinely do structured cross-functional root cause analysis to determine root and contributing causes
4. Engage affected persons and other stakeholders for input on root causes and appropriate remedies
5. Record data on individual cases, corrective actions and remediation outcomes
6. Report case data internally, and to customers as required under response protocols

5.2 Remediation of Harms

Leadership



At this maturity level

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.

At the "Leadership" maturity level, good practice in corrective action and remediation is rewarded with incentives (1.3 Procurement Practices). The company and/or suppliers should use stakeholder engagement, external verification, collaborative initiatives, and other approaches to ensure root causes are addressed and harms are effectively remediated.

At this stage, the costs associated with corrective action plan implementation and provision of remedy should be fully internalized in the business model, and management systems should be continuously improved to reduce the frequency and severity of incidents of harms.

How to get there

1. Analyze data on cases to identify common root causes and effective practices that can be scaled
2. Establish incentives for suppliers who consistently deliver effective corrective and remediation actions (1.3 Procurement Practices)
3. Collaborate with peers, government, civil society, and/or multi-stakeholder initiatives and partnerships to address the more challenging systemic root causes of harms

Maturity Benchmarking Tool

Components	 BASIC	 ESTABLISHED	 LEADERSHIP
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.

Further Resources

5.1 Response Protocols & Processes

For a resource on developing response protocols related to forced labor in the cocoa sector, see Verité's Developing a Forced Labor Response Protocol.

For a checklist on how to create a response plan/protocol, see Marks and Spencer's Human Rights Due Diligence and Remedy Guidance.

5.2 Remediation of Harms

For a case study on how trade union and farmer representatives, government agencies, and non-governmental stakeholders collaborated on an approach to handling grievances, see Fairtrade's Enabling Local Solutions to Workplace Disputes: Effective Labour Relations in Peru's Banana Sector.

For information and tools related to corrective action planning and remediation in the palm sector, see Chapter 4: Addressing and Remediating Core Labor Violations in Verité's Toolkit for Palm Oil Producers on Labor Rights.

To understand how to provide remedy through repayment of recruitment fees, see Guidance on the Repayment of Worker-Paid Recruitment Fees and Related Costs, by the Consumer Goods Forum and AIM-PROGRESS, and Principles and Guidelines for the Repayment of Migrant Worker Recruitment Fees and Related Costs, by Impactt.

For a tool to assess whether workers have paid recruitment fees, see the Institute for Human Rights and Business's Questionnaire on Recruitment Fees for Migrant Workers (Appendix A in Responsible Recruitment: Remediating Worker-Paid Recruitment Fees).

For examples of remedy provided to children, see the Centre for Child Rights and Business's 1,000 Reports of Child Labour: Lessons, Insights, and Reflections from our Child Labour Remediation Work and the U.S. Department of Labor's Stakeholder Engagement on the Mate Masie Project.

For a case study about a remediation project (providing workers safe storage for identity documents), see the Passports in Their Palms project, implemented by Earthworm Foundation, Wilmar, and Kim Loong Palm Oil Mill.

Spanish language resources

For a questionnaire for gathering information from workers, see Stronger Together's Anexo 8 Modelo de Cuestionario Aleatorio a Trabajadores.

For a sample format for documenting remediation cases, see Stronger Together's Anexo 10 Informe Sobre Remedio.

FARM LABOR DUE DILIGENCE TOOLKIT

Report on Progress

6

Verité

Fair Labor. Worldwide.

Acknowledgements

The Farm Labor Due Diligence Toolkit 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.

Verité is grateful for financial and technical support for the development of the Farm Labor Due Diligence Initiative from Cargill, ECOM, Fairtrade International, Jacobs Douwe Egberts, Mars, Incorporated, McDonald's Corporation, Philip Morris International, and Rainforest Alliance. We would also like to acknowledge insights gained from collaborations with many other food and beverage and apparel companies, civil society organizations, certification standards, and multistakeholder initiatives — all of which inform our understanding of comprehensive human rights due diligence in agriculture.

Cover photo: CRS Photo/Shutterstock

Understanding Farm Labor Due Diligence

Labor rights due diligence in agriculture is not inherently different from human rights due diligence (HRDD) in other sectors. 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.

How to Use This Guidance Document

The Verité Farm Labor Due Diligence Toolkit contains separate guidance tools for each of the six top-level elements of human rights due diligence. Each tool begins with a brief element overview and explains the role the element plays within the overall HRDD system.

The main body of each tool defines the core components that make up the element, and outlines practical pathways to implement and improve these components over time. Three maturity levels are described for each component – Basic, Established, and Leadership – represented by the icons below. For each level of each component, the toolkit describes what a company at that level of maturity should have in place, and suggests key actions the company can take to get there. A summary benchmarking tool, and a curated list of additional resources, are included at the end of each element.

It is important to note that companies often develop different parts of their 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. All stakeholders should remember that HRDD is an ongoing process. Even when a company reaches a leadership 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.

BASIC

ESTABLISHED

LEADERSHIP

/857902201/Adobe Stock

6 Report on Progress

Components of This Element

6.1 Supply Chain Transparency

6.2 Public Reporting on Implementation

6.3 Public Reporting on Impact

Reporting on progress refers to the ongoing practice of publicly sharing relevant information on due diligence processes, activities, and impacts. Many companies begin communicating publicly about their human rights efforts by including highlights of corporate social responsibility projects or statements of responsible sourcing commitments on their websites. True reporting on HRDD, however, places such examples and statements in the context of the company's overall human rights due diligence approach, enabling readers to understand where the company is in its HRDD maturity journey, and to evaluate whether level of effort is commensurate with level of responsibility.

Good reporting practice requires comprehensive and regular accounting on the full range of a company's due diligence activities. It should include disclosure of the company's HRDD key performance indicators (KPIs), related targets and milestones, and a clear path for achieving them over time. Reports should be issued at least annually; for agricultural supply chains, growing seasons may be a more relevant annual cycle than the calendar year.

Reporting on progress on implementing and strengthening HRDD systems and processes should be distinguished from reporting on impact, which captures progress achieved on salient issues. Implementation is often reported via "leading" indicators (e.g. percent of suppliers trained or farms monitored). Reporting on impact often requires "lagging" indicators that capture changes in behavior or root causes over time (e.g. number of children engaged in child labor, or annual farmer income). As a company matures in its public reporting, it should increase its supply chain transparency and shift from reporting primarily about implementing processes and activities to reporting about impact: human rights risks and harms identified, and how those are being addressed.

The field of HRDD measurement and reporting is rapidly evolving, in part due to mandatory reporting requirements in certain jurisdictions. A few years ago, most, if not all, company reporting on social- or human rights-related KPIs was voluntary, done under frameworks like the Global Reporting Initiative (GRI), or as required by law, such as the UK Modern Slavery Act and California Transparency in Supply Chains Act. The GRI provides specific indicators on human rights issues, like forced labor, that companies can opt-in to. But even within most existing voluntary frameworks, the indicators tend to be process—not impact—focused. With the emergence of mandatory reporting requirements such as the EU's Corporate Sustainability Due Diligence Directive and Corporate Sustainability Reporting Directive and frameworks such as the European Sustainability Reporting Standards, many companies will be legally required to report on human rights due diligence indicators. Most of these regulatory regimes still focus on process-related disclosures, but they are shifting norms and expectations toward reporting on impact, and company reporting practice needs to keep pace.

When reporting on progress, information should be made available and accessible to stakeholders through formats, platforms, mechanisms, and languages most appropriate for each of the company's stakeholder groups, particularly affected stakeholders, including affected stakeholders in the first mile, where multiple serious human rights impacts can intersect for workers, farmers, and their family members and communities.

6.1 Supply Chain Transparency

Supply chain transparency refers to a company's public openness about its supply chain map, including disclosure of its sourcing origins to country or sub-country level, and the names and locations of suppliers at Tier 1 and beyond. (2.1 Supply Chain Mapping provides more information on mapping and visibility efforts.)

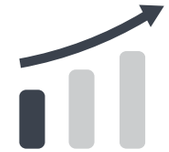
Even companies that have fully mapped their supply chains are often cautious to disclose sourcing and supplier information publicly. Companies see risk that activist groups, journalists, and others will use this information to investigate upstream human rights abuses and link these abuses to the company, leading to reputational and even legal exposure. While such risks do exist, they are often overstated by lawyers. Honesty and transparency about human rights challenges are important hallmarks of leadership companies, which increasingly embrace the premise that "sunlight is the best disinfectant." In some cases, companies have learned about human rights abuses for the first time through activists or journalists, and have leaned into remediating the harms found and collaborating with partners to address their root causes, leading to better overall HRDD performance.

How much supply chain transparency is "enough"? Stakeholders have different views on this. Know the Chain (a nonprofit partnership between Humanity United, the Business & Human Rights Resource Centre, Sustainalytics, and Verité) includes transparency measures in its methodology for evaluating food and beverage companies' efforts to combat forced labor. It assesses whether the company discloses: (1) the names and addresses of its first-tier suppliers; (2) the countries of its below-first-tier suppliers (not including raw material suppliers); (3) the sourcing countries of at least three raw materials at high risk of forced labor and human trafficking; and (4) at least two types of data points on its suppliers' workforce (e.g., the number of workers, gender or migrant worker ratio, or level of unionization per supplier). This level of transparency can serve as a useful benchmark.

Sofia Arango/Adobe Stock

6.1 Supply Chain Transparency

Basic



At this maturity level

The company is working internally to build buy-in and plan for public disclosure of supply chain mapping information.

At the "Basic" level, companies should have staff who advocate for greater supply chain transparency. However, they may face significant resistance internally from the more risk-averse departments, such as Legal. Benchmarking data about peer companies' and leadership companies' transparency practices may be helpful. In addition, transparency is increasingly used as an indicator of a company's sustainability, so showing leadership in this area can appeal to investors and boost access to capital.

How to get there

1. Benchmark peer companies' levels of supply chain disclosure, gauge the company's level of risk tolerance on transparency
2. Build a plan for publishing supply chain mapping information, including timeframe and format (e.g., sustainability report, traceability platform website)
3. Advocate with internal decisionmakers on proposed transparency plan; obtain approvals as needed
4. Ensure supply chain information management system is set up to capture information needed for disclosure

6.1 Supply Chain Transparency

Established

At this maturity level

In addition to "Basic," the company is disclosing some supply chain mapping information.

At the "Established" maturity level, the company should have begun publishing or sharing data through its chosen channels. It should seek feedback on improving its disclosures. As visibility into supply chains is enhanced, supply chain information (such as visual supply chain maps and supplier information — numbers, locations, and names) should be disclosed to allow the company to be held accountable to its human rights commitments.

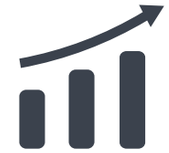
How to get there

1. Disclose names and locations of first-tier suppliers in at-risk commodity-geography combinations
2. Begin disclosing second-tier suppliers in at-risk commodity-geography combinations
3. Engage with key stakeholders on the disclosures to seek feedback for continual improvement
4. Review progress against the transparency plan and adjust as necessary to stay on track

Riccardo Mayer/Shutterstock

6.1 Supply Chain Transparency

Leadership



At this maturity level

In addition to "Established," the company takes further steps toward best-practice transparency of its mapping data, including at the first mile level.

At the "Leadership" maturity level, the company should regularly publish supply chain data that aligns with best practice disclosure guidance, including disclosure of suppliers at the first mile supplier level.

How to get there

1. Disclose supply chain mapping data in accordance with, or beyond, best practice benchmarks
2. Align disclosure of supply chain mapping information with reporting on implementation of HRDD and impact on salient issues (see 6.2 Public Reporting on Implementation and 6.3 Public Reporting on Impact)
3. Refresh and repeat disclosures at a publicly committed, regular intervals
4. Expand the percentage of at-risk supply chains disclosed to first mile level over time

6.2 Public Reporting on Implementation

Companies reporting on their human rights due diligence actions often choose to showcase particular activities such as awareness-raising or provision of support to farmers in their supply chains. Public disclosure of such activities helps reinforce internal commitment to HRDD and can also help provide accountability to external stakeholders such as affected farming communities, regulators, and investors.

All elements of due diligence should be in scope for reporting on implementation, including progress the company has made embedding human rights in its business management systems, the status of its efforts to assess and prioritize salient issues in its operations and supply chains, the actions it is taking to cease, prevent, and mitigate human rights risks, and the actions it has taken to remediate any human rights harms identified.

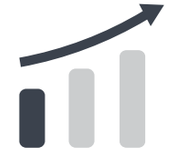
Reporting on implementation of HRDD involves two different aspects of time. One is the reporting period, which is often a calendar year or growing season. Companies may report on total, cumulative numbers of people reached or actions taken, etc., but once a baseline year total has been established, change year-on-year should also be reported in order to capture ongoing commitment and the pace of progress against targets. Data points should always be contextualized in reporting with relevant information such as percent of farms or volumes covered, so that readers are able to evaluate the meaningfulness of the company's efforts.

The other dimension of reporting on HRDD implementation is the degree of maturity of the company's HRDD systems and processes. No company deploys all elements and components of its HRDD framework everywhere at once, and the same level of implementation is not necessary in all parts of a company's operations or supply chains. It is helpful to track and report on the degree of implementation of HRDD in relation to the company's overall strategy (3.1 Strategy and Objectives), for example, by tracking the degree to which prioritized, at-risk commodities and geographies are covered by particular due diligence activities. Reporting against maturity benchmarks such as those offered in this toolkit can provide discipline, guide development of implementation pathways/plans, and allow external observers to understand company efforts accurately.

Dede Sudiana/Shutterstock

6.2 Public Reporting on Implementation

Basic



At this maturity level

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.

At the “Basic” stage, the company's reporting may be a standalone human rights report, or part of an integrated sustainability or ESG report.

In addition to ensuring that the report meets all legal and regulatory requirements, it is also important to check that the report is aligned with any customer requirements that may be relevant.

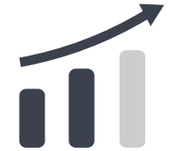
A major focus at this stage should be building the internal buy-in and systems necessary to track human rights KPI data and prepare the data for public reporting.

How to get there

1. Determine which implementation-related high-level KPIs the company will report on publicly (3.2 Indicators and Targets)
2. Establish internal lines of communication and management to ensure coordination on data points to be tracked and reported
3. Publish an annual, public report that conforms to HRDD laws and includes the selected objectives and KPIs

6.2 Public Reporting on Implementation

Established



At this maturity level

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.

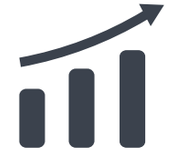
At the "Established" maturity level, the company's reporting should capture efforts in particular geographies and commodity supply chains that the company has identified as at-risk for salient issues. Reporting should become more specific and detailed (and may become more frequent) as the company's HRDD system matures. Reporting should also be guided by KPIs, cover progress to date, properly contextualized, and actively communicated to relevant stakeholders in prioritized commodity-geography contexts.

How to get there

1. Report progress toward the selected high-level KPIs and targets
2. Begin reporting progress toward some supporting indicator targets related to implementation of HRDD systems and processes in prioritized supply chains (3.2 Indicators and Targets)
3. Engage with stakeholders to receive feedback on reporting and further improve it
4. Identify appropriate ways to report progress to affected stakeholders

6.2 Public Reporting on Implementation

Leadership



At this maturity level

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.

At the "Leadership" maturity level, the company's HRDD reporting should reflect its commitment to respect human and labor rights throughout the entire supply chain, guided by a long-term, company-level, human rights strategy for which it holds itself publicly accountable.

Reporting on HRDD implementation should include detailed, year-on-year, information on the extension of systems and processes to control human rights risk in all at-risk operations or parts of the supply chain and on the extension of systems and processes to ensure remediation when harms occur, including transparent accounting of challenges encountered and plans to overcome them.

Companies at this maturity level should actively participate in relevant multistakeholder and global reporting frameworks on human rights due diligence and ensure that reporting is aligned with leading guidance. They should also regularly and actively engage relevant stakeholders, including affected stakeholders, to share information on progress and obtain feedback.

How to get there

1. Expand reporting on implementation of HRDD systems and processes to cover all at-risk supply chains
2. Develop case studies or other communications to capture challenges and lessons learned related to tracking and reporting on implementation of HRDD systems
3. Participate in best-practice reporting initiatives and frameworks to improve reporting, learn from peers, and share insights on reporting

6.3 Public Reporting on Impact

As discussed in 3.1 Strategy and Objectives and 3.2 Indicators and Targets, the company draws on the assessment work it has done to develop a human rights strategy and performance objectives for its HRDD system, with indicators to measure progress and numeric targets for each indicator. In the early stages of maturity, a company will likely focus more on implementation-related indicators; as the company matures in its HRDD, it will shift toward impact indicators.

A company's public reporting typically follows a similar progression, often beginning in earlier stages of maturity with reporting progress against process indicators and then reporting on impact indicators. Reporting on impact indicators provides insight to stakeholders on whether the company's activities and systems are actually having the desired effects – and whether sustainability resources are being deployed as effectively as possible.

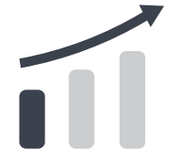
Public reporting on impact often begins simply with disclosure of the salient issues identified and the key commodities and geographies the company has prioritized for addressing them. Basic data on numbers of incidents may be communicated to establish a baseline for future progress tracking. As the company's HRDD system matures, reporting on impact should become more comprehensive and ambitious, including the impact of company efforts to address underlying root causes of salient issues.

Because affected stakeholders are the most important constituents for human rights due diligence programs, engaging stakeholders is particularly important in evaluating and reporting on the impact of HRDD. Companies should make efforts to engage with relevant affected stakeholders to verify impacts, identify any unintended consequences, and optimize program design.

Polacostudios/Shutterstock

6.3 Public Reporting on Impact

Basic



At this maturity level

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.

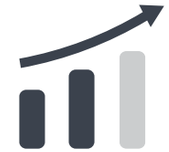
The information on salient issues and at-risk commodities and geographies may be included in the same report as that referenced in 6.2 Public Reporting on Implementation, or may be reported in a different document or platform.

How to get there

1. Gain internal buy-in to publicly disclose the company's most salient human rights risk issues and most at-risk commodities and geographies of sourcing
2. Report the information publicly
3. Work to increase internal buy-in for public reporting on high-level impact-focused KPIs and targets (3.2 Indicators and Targets)

6.3 Public Reporting on Impact

Established



At this maturity level

In addition to "Basic," the company regularly reports on its impact on salient issues in its operations and prioritized at-risk commodities and geographies.

At the "Established" maturity level, the company should not only report on selected impact KPIs and targets, but should report contextual information to help stakeholders understand that impact.

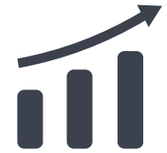
Over time, the company should expect to deepen its impact reporting, beginning with reactive measures in response to harms (e.g. recruitment fees repaid to migrant workers), and progressing to more proactive impact measures, such as the use of worker and other stakeholder feedback to improve recruitment and employment practices. Its reporting should also begin to discuss the company's impact on root causes of human rights risks.

How to get there

1. Determine which high-level, impact-related KPIs and targets the company will report on publicly (see 3.2 Indicators and Targets)
2. Establish internal lines of communication and management to ensure coordination on data points to be tracked and reported
3. Include progress toward high-level impact-related targets in annual, public reports, being sure to contextualize impact data to avoid cherry-picking and accurately communicate performance
4. Explore additional options to achieve transparency, for example through collective reporting in collaboration with peer companies

6.3 Public Reporting on Impact

Leadership



At this maturity level

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.

At the “Leadership” maturity level, the company should set a high bar for its impact and hold itself publicly accountable for its record on human rights. Its impact tracking should be increasingly stakeholder-based and -validated, enabling the company to report on its risk and harm reduction efforts from the perspective of the affected stakeholders.

At this level, the company should also capture its efforts to address industry-wide or regional issues beyond its immediate control, working through industry or multi-stakeholder collaborations to ensure that collective efforts to reduce risks and harms are well-designed and reported on accurately and transparently.

How to get there

1. Going beyond reporting on high-level impact KPIs, publicly report on selected impact-related supporting indicators and targets
2. Include qualitative information about root causes identified and systemic solutions implemented
3. Include information about engagement with and verification of impact by affected stakeholders
4. Ensure company executives communicate both internally and externally about HRDD efforts and their impact on human rights risks and harms
5. Engage in industry or multi-stakeholder initiatives to push for adoption of specific, measurable impact indicators and targets which all members report publicly

Maturity Benchmarking Tool

Components	 BASIC	 ESTABLISHED	 LEADERSHIP
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.

Further Resources

To understand the benefits for companies of public human rights reporting, see the U.S. Department of Labor's Comply Chain – Step 8: Report Performance and Engagement.

For a resource to help companies benchmark their human rights reports against those of peers, see Shift's Database of Company Reporting.

For understanding the role that transparent reporting plays in an HRDD system, see Verité's Guide on Public Reporting for Private Sector Stakeholders.

For good practice examples of sustainability reports, see Reporting Matters, a program of the World Business Council for Sustainable Development.

For best practice guidance on reporting aligned with the UN Guiding Principles, see the UN Guiding Principles Reporting Framework, an initiative of Shift and Forvis Mazars.

6.1 Supply Chain Transparency

For an example of a company generating and publishing aggregated profiles of the farms from which it purchases, see Uncommon Cacao's 2022 Transparency Report.

For an example of indicators related to public disclosure of suppliers, see the KPI Reporting Commitment for members of the Consumer Goods Forum's Forest Positive Coalition that source soy, palm oil, and other agricultural commodities.

For an example of a company publishing information about its human rights risks, see Our Material Sustainability Issues by Unilever.

For an example of disclosing lists of palm oil suppliers, mills, and refineries, see Pepsico's Palm Oil page.

For an example of mapping and disclosing mills, see Mars's Palm Oil Mill Lists.

6.2 Public Reporting on Implementation

For an example of issue-specific reporting, see PMI's progress update Taking Action to Eliminate Child Labor from our Leaf Supply Chain, Ensuring Safe Working Conditions on Contracted Farms.

For an overview of what one company is doing to tackle modern slavery risks, see OFI's Modern Slavery and Human Trafficking Statement 2024.

For an example of benchmarking food and beverage companies on the transparency of their efforts on forced labor, see KnowTheChain's Food & Beverage Findings Report. (For the KnowTheChain benchmarking methodology, see Benchmark Methodology Food & Beverage.)

For an example of Leadership level reporting from Philip Morris International, see the data reporting section of the 2023 Human Rights Report.

To understand trends in how companies report on human rights responsibility and accountability, see Reporting Trends and Insights: Who's Responsible and Accountable for Addressing Human Rights Risks Within the Company?, by Shift.

To understand how to communicate actions taken to address human rights risks and harms, see Tools to Communicate, by The Palm Oil Collaboration Group.

6.3 Public Reporting on Impact

For an example of company public reporting impact-related data on child labor, see Hershey's 2021 ESG Report and OFI's Cocoa Compass Impact Report 2022.

Further Resources

For examples of issue-specific reporting, see PMI's progress updates Focusing on Mexico: Improving Human Rights and Labor Practices and Taking Action to Eliminate Child Labor from our Leaf Supply Chain, Ensuring Safe Working Conditions on Contracted Farms.

For an example of public reporting on human rights violations found through third-party audits, see Unilever's 2021 Human Rights Progress Report.

For an example of Leadership level reporting from Philip Morris International, see the data reporting section of the 2023 Human Rights Report.

For information on how to align sustainability reporting with the United Nations Sustainable Development Goals, see the Global Reporting Initiative's Integrating SDGs into Sustainability Reporting.

For an example of company public reporting on grievances received and actions taken, see Managing Grievances on the Cargill Palm Sustainability Dashboard.

For an example of company public reporting on grievances received and actions taken, see Unilever's Palm Oil Grievance Tracker.

Ayarx Oren/Shutterstock