

FROM RISK TO RESILIENCE:

A good practice guide for food retailers addressing human rights in their supply chains



A female coffee farmer in Uganda. © Pablo Tosco / Intermón Oxfam

This paper offers timely insights on emerging good practices to address exploitation in global food supply chains, based on 26 key informant interviews, and analysis of Oxfam's latest Supermarkets Scorecard. While the coronavirus that ignited the global crisis is new, the underlying issues plaguing agricultural supply chains are not. Reducing risks and improving resilience in supply chains requires a shift in how companies respect human rights. The current crisis offers an opportunity to not just gradually adopt good practices but to fundamentally shift the core business model.

Oxfam Discussion Papers

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EXECUTIVE SUMMARY

The COVID-19 pandemic has exposed the vulnerability at the heart of global food value chains. While the novel coronavirus that ignited the current global crisis is new, the underlying issues plaguing agricultural supply chains are not. This paper offers timely insights on emerging good practices to address exploitation in global food supply chains, based on 26 key informant interviews, and analysis of Oxfam's latest Supermarkets Scorecard.

We have found that food retailers in many countries are taking important steps towards fulfilling their duty to respect human rights, in line with the UN Guiding Principles on Business and Human Rights (UNGPs). For example:

- Human rights policies are becoming stronger;
- Several retailers have committed to undertake and publish Human Rights Impact Assessments;
- Initiatives to address recruitment fees are gathering momentum;
- Some suppliers recognizing the value of trade unions and collective bargaining;
- Investors are paying more attention to the Social pillar in Environmental, Social and Governance issues (ESG);
- Increased transparency of supply chains is fast becoming the new normal; and
- It is becoming more common for companies to make public commitments to living wages, living incomes and gender strategies.

But overall, we find that the sector as a whole is yet to truly tackle the deep structural change needed to end the endemic exploitation of small-scale food producers and workers upstream in food supply chains. Reducing risks and improving resilience in supply chains requires a fundamental shift in how companies respect human rights. All food retailers must go beyond even these examples of emerging good practice and embrace changes to their core business models. This must include:

- Embedding human rights in all levels of corporate decision-making;
- Adopting a comprehensive HRDD approach, with a proactive gender lens and integrate this into core business practices. For food retailers, this means ensuring that suppliers win business based on their own good practices, prices reflect the cost of sustainable production and a fair share of value demonstrably reaches the women and men producing food products.
- Greater engagement on ESG issues with investors; and
- Greater engagement on public policy issues with regard to human and labour rights.

The COVID-19 pandemic offers an opportunity for the food retail sector to move from gradual adoption of good practices towards this more fundamental transformation that is needed to ensure respect for the human and labour rights of small-scale farmers and workers in food supply chains. This is a moment to influence the outcome rather than wait to see what happens. This could mark the moment in which we as a global community of stakeholders decide to do things differently, to protect those vulnerable men and women on whom, at the end of the day, we most rely – the world's food workers.

INTRODUCTION AND CONTEXT: FROM INITIAL SHOCKS TO HEIGHTENED RISKS

Some experts have long predicted that it was only a matter of when, not if, a global pandemic was going to disrupt the world.¹ However, coronavirus still took most of us by surprise – consumers crowded into local supermarkets to hoard staple foods; governments of both industrialized and developing nations struggled to determine the best way to respond; and companies had to quickly adapt to the rapidly changing context and disruption to their supply chains.

This disruption and the varied approach of policy makers will impact on food retailing for years to come. But as the world grapples with the evolving effects of the pandemic, farmers and food processing workers – who are often less visible to consumers than shop workers – are living at or below the poverty line. While many of us were told to stay at home, workers on the production frontline were obliged to go to work in overcrowded workplaces, risking their own and their family's health to produce our food and ensure supply chain continuity during this challenging time.

These same workers also face the most significant and lasting economic hardship and potentially a third-wave global crisis in the form of a 'hunger pandemic',² as the effects of the coronavirus crisis and the response to it threaten to shrink the global economy by 2.5% in 2020 alone.³ Past experience indicates that women are disproportionately affected by health and economic crises due to food insecurity, time poverty, lacking access to health facilities and economic opportunities and gender-based violence.⁴ Oxfam's recent surveys in five countries estimate that over half of women surveyed report that they are spending more time on unpaid care work as a result of COVID-19's restrictions. This has real consequences for the health, economic security and wellbeing of these women and push women living in poverty, single mothers and essential workers furthest to the margins.⁵

ABOUT THIS DISCUSSION PAPER

The aims of this discussion paper are:

- To share the reflections of experts on human rights in global food supply chains and examples of better practice.
- Understand what has held companies back from adopting Oxfam's recommendations⁶ in full.
- Offer insights on how companies can translate changes in corporate policy into positive impact for workers.
- Highlight the need – and the opportunity – this crisis presents for companies to pause and envision a global food system that is not built on the backs of an exploited workforce, and to consider the role of food retailers in that system.

The paper was commissioned just before the pandemic took hold, and we extended its scope to incorporate companies' responses to the crisis. While we recognize the challenging commercial context for many businesses, we believe our analysis and policy recommendations are, if

anything, even more pertinent than before. We therefore publish the paper as a timely contribution to the debate about how greater fairness and resilience to future shocks can be achieved for food value chains – for the wellbeing of people along the chain, from producers to consumers, and for sustainable financial returns for shareholders and owners.

Supermarket sales soared during the initial phase of the crisis⁷ before settling down to a new reality characterized by fewer, larger transaction values, increased online shopping, social distancing and enhanced hygiene practices.⁸ But almost overnight, **the supply of food and the conditions for those supplying it became matters of global food security.**

For too long, vital food workers have been treated as though they were almost expendable, a kind of human commodity for the efficient delivery of ‘just in time’ food units. The global pandemic brings an opportunity for industry to recognize workers’ and farmers’ true value, and to understand that failure to ensure their wellbeing could result in food supply chain disruptions and, in turn, affect their business continuity.

BEHIND THE BARCODES: THE CALL FOR TRANSFORMATIVE CHANGE

Since 2018, Oxfam’s Behind the Barcodes campaign has documented evidence of human suffering throughout the global value chains that supply the world’s supermarkets and other food retailers. The findings are clear: across industries and geographies, the workers fishing, farming and processing the food that supermarkets sell are exploited in a myriad of ways. From South-East Asian seafood to Brazilian fruit, and from Indian tea to US sweet potatoes, the people doing the lion’s share of the work to produce the food that fills retailers’ shelves still face frequent discrimination, intimidation, poverty and even conditions of modern slavery.

Underlying these human and labour rights abuses is the systemic inequity in economic wealth distribution and bargaining power that have come to characterize the food retail sector. Nowhere is this more evident than in the South-East Asian seafood industry where, as reported in Oxfam’s Behind the Barcodes case study *Ripe for Change*, ‘workers peeling shrimp in Indonesia earn less than €0.02 for peeling a package of shrimp that sells in Ahold Delhaize’s Dutch supermarket Albert Heijn for €5’.⁹ Such inequities in value distribution are common to all supermarkets; they also threaten the global food system as a whole by calling into question its resilience and ultimately its long-term profitability, particularly in times of crisis.

Along with reporting the problems in food supply chains and analysing their root causes, Oxfam developed a scorecard of indicators and published a range of recommendations to help companies with solutions. These are summarized below.

True good practices for workers and farmers, and the subsequent realization of a more resilient global food supply chain, however, will ultimately require a **systemic transformation**. In particular, this means moving away from current business models, which are founded on short-term profit maximization, towards more holistic business models that are capable of embedding rather than externalizing social as well as environmental and governance factors.

Figure 1. A cycle for success: Human rights due diligence, preventing human rights harms and achieving positive social impact



In practice this includes:

1. Embedding human rights responsibilities in corporate governance and the company's purpose, and ensure respect for human rights is measured, managed and reported;
2. Adopting a comprehensive HRDD approach, with a proactive gender lens and integrate into core business practices. For food retailers, this means ensuring that suppliers win business based on their own good practices, prices reflect the cost of sustainable production and a fair share of value demonstrably reaches the women and men producing food products;
3. Engaging investors on what it takes to address the 'social' in ESG issues effectively and the implications for the role of investors;
4. Advocacy to governments to ensure that all companies are obliged to meet the same regulatory requirements to protect human and labour rights in their food supply chains and no-one gets a competitive advantage from workforce exploitation.

Ultimately, it is only through this type of transformative change that global food supply chains can more equitably distribute risk and achieve a level of resilience that will allow them effectively to respond to the current and future crises.



Workers picking tea in Assam. © Roanna Rahman/ Oxfam India

THE GLOBAL PANDEMIC AND OTHER KEY DISRUPTIVE TRENDS FOR FOOD RETAILING

About a third of all global food is produced in low to middle-income countries.¹⁰ Current predictions project the pandemic could double the number of people worldwide suffering from the ‘hunger virus’ and push half a billion people into poverty.¹¹

A recent ITUC survey found that in 48% of countries surveyed, employers were responding poorly to the needs of their workers.¹² The Pandemic has disrupted suppliers/employers via a combination of factors including lower productivity due to mandatory social distancing measures, input shortages due to quarantine orders and disrupted transport. In turn, company and governments’ responses (or lack of responses) also have significant consequences for workers, such as the lack of personal protective equipment (PPE) and lack of paid sick or familial leave.

Table 1: Impacts of the pandemic on global supply chain actors

Workers/small-scale farmers	Suppliers/producers	Retailers/buyers
<ul style="list-style-type: none"> • Lack of access to proper PPE and social distancing measures, especially during commutes and in living quarters. • With schools closed due to government-imposed lockdowns, women have seen their greater unpaid care role become an even greater burden than normal.¹³ • Lack of freedom of association/collective bargaining to negotiate with employers. • Lack of access to information on coronavirus in their own language and support from employers to access social safety nets. • Reduced income due to lockdowns and restrictions on migrant workers returning home due to travel restrictions. 	<ul style="list-style-type: none"> • Suppliers that invest in improved labour and human rights practices are insufficiently rewarded in the form of increased order volumes and enhanced prices from buyers. • Lower productivity due to mandatory social distancing measures. • Input shortages due to quarantine orders and disrupted transport. • Limited support from buyers while trying to maintain business continuity under government restrictions and disrupted labour supply. 	<ul style="list-style-type: none"> • Retailers faced with spikes in demand early on in the crisis and their logistics systems have experienced disruptions and delays. • More workers hired for store operations to manage rapid increase in consumer demand for food supplies. • Retailers may face a potential coronavirus food crisis if they continue ‘business as usual’, as supply chain disruptions and labour shortages continue to affect prices and food supplies.

Although COVID-19 has triggered significant disruption to food supply chains, many disruptive trends were already well under way before the pandemic struck. The following tables present a synopsis of the trends most frequently referenced by the experts interviewed and analyses their possible implications for the global food industry and its workforce.

Table 2: Disruptive trends and their implications for the global food industry and its workforce

Trend cited	Observations	Implications for the global food industry and its workforce
<i>Coronavirus pandemic</i>	The pandemic has become the most critical disruption identified by key interviewees. Global retailers have been identified as the group that needs to lead the rebuilding of food supply chains.	<ul style="list-style-type: none"> • Women and migrant workers will continue to disproportionately bear the brunt of the impacts of the pandemic. Thus, the heightened risks faced by vulnerable groups must be a prominent consideration of companies. • Labour shortages due to restrictions, lockdowns and the return of migrant workers to their communities are a serious global concern – after all, food worker shortages mean food shortages. • Labour shortages can exacerbate exploitation of vulnerable groups. According to one interviewee, ‘when there aren’t sufficient workers, existing workers are more likely to be overworked and further exploited’.¹⁴
<i>Calls for mandatory human rights due diligence (HRDD)</i>	Major multinational food companies (including Nestlé and PepsiCo) ¹⁵ have recently joined calls for mandatory HRDD legislation.	<ul style="list-style-type: none"> • Companies are increasingly invoking their HRDD practices as a sort of pre-emptive defence to avoid future legal and financial liability. • Companies that have made this commitment are calling on their competitors to do the same. • Increased competition on HRDD practices and potential transnational mandatory HRDD would require that all companies improve supply chain human rights practices.
<i>Climate change</i>	Supply chain emissions are a significant cause of climate change, and agriculture is also particularly vulnerable to its effects.	<ul style="list-style-type: none"> • One trending industry response is a growing focus on climate-smart supply chain solutions and increasing shortages in raw materials.¹⁶ • Climate change has significant implications for continuity of supply and therefore availability and price to consumers. • As agricultural production becomes increasingly challenging due to climate-related factors, buying companies will need to invest more to improve their supply chains’ resilience and ensure that labour supplies are not disrupted. • This also impacts the growing expectation that food companies will sign up to the Taskforce on Climate-related Financial Disclosure (TCFD) to report on climate-related risks to their supply chains.¹⁷
<i>Increased investor attention to</i>	Increased institutional investor attention	<ul style="list-style-type: none"> • 50 investors managing over US\$3 trillion signed an Investor Statement supporting the Behind the Barcodes campaign.

<p><i>the social elements of ESG risks</i></p>	<p>to these issues (especially more attention given to the social risks) is likely to fuel food industry attempts to improve supply chain practices.</p>	<ul style="list-style-type: none"> • 139 investors signed up to the Workforce Disclosure Initiative asking companies to report on the quality of jobs in their supply chains¹⁸ and recognizing ‘that lack of transparency makes it impossible to calculate a holding’s risks and opportunities with precision, making investing in supermarkets hazardous’.¹⁹ • 176 investor members of The Investor Alliance for Human Rights (managing \$4.5 trillion in assets) wrote to the worst-performing companies ranked in the 2019 Corporate Human Rights Benchmark (CHRB) asking for improvements.²⁰ • More than 300 institutional investors (managing >\$9 trillion in assets under management) called on companies to provide paid sick leave and prioritize the health and safety of their workers as essential in reducing risk/safeguarding long-term financial value.²¹
<p><i>Emerging technology and tech trends</i></p>	<p>Emerging technologies (e.g. blockchain) are increasing supply chain traceability and market efficiency.</p>	<ul style="list-style-type: none"> • Many interviewees felt that traceability is not the greatest hindrance to supply chain human rights because when it’s necessary to recall products, for example on safety grounds, companies can do it. • The effects of online grocery shopping and algorithmic tools for personal shopping are less clear,²² but the move towards online shopping (particularly in the wake of coronavirus, which has seen a 13% increase in online sales²³) could free up resources to be invested in more sustainable supply chains.
<p><i>Global populist and protectionist movements</i></p>	<p>Interviewees observed an erosion of trust in governmental institutions and a rise of populist/nationalist policies.²⁴</p>	<ul style="list-style-type: none"> • Concern was expressed by some interviewees that this could reduce public (and corporate) will to address poor conditions for workers in other countries or for migrant workers in their own countries. • At the same time, this trend contributes to the emerging consensus that business must evolve its role in society and be willing to advocate publicly to advance the rights of workers in the countries from which they source.

FOOD RETAILERS' PROGRESS: OXFAM'S THIRD SUPERMARKET SCORECARD

While the food and beverage industry has undeniably made progress since the launch of Oxfam's earlier Behind the Brands campaign²⁵ in 2013, the response of food retailers to Behind the Barcodes has been highly variable; some companies have shown steady improvement, while others have not fundamentally changed their policies to ensure respect for human rights in their supply chains. Even where changes have been made, there is still a gap between the implementation of those changes and actual improvements for workers.

There have certainly been notable steps in the right direction. Following two years of active campaigning and engagement, some of the lowest-scoring companies on the Supermarket Scorecard have taken meaningful action, in particular Albert Heijn, Jumbo and Lidl. In 2019, Dutch retailer Albert Heijn finally announced new company reforms to begin to address human and labour rights violations in its supply chains. It was followed soon after by its Dutch competitor, Jumbo, and in April 2020 Europe's largest food retailer, the German discounter Lidl, announced equivalent policy commitments.²⁶

All three companies publicly acknowledged the systemic human rights issues affecting food supply chains, published enhanced policies, demonstrated increased transparency about their own supply chains, committed to complete and publish human rights impact assessments (engaging with local stakeholders in the process), and promised to strengthen grievance mechanisms for any negative impacts identified.²⁷

TOP OVERALL SCORERS

Tesco and Sainsbury's have topped the rankings in all three scorecards to date and have significantly improved their scores. Both companies have made significant commitments across the board and are the only supermarkets to score above 50% in three of the four areas assessed on the scorecard.

Tesco's particular strengths are its action on worker's rights, equal treatment for women and transparency and accountability, topping the scorecard in all three areas. Notably, it is the only company which has gender-focused policies for its operations and supply chain. Tesco's new human rights strategy, launched in 2019,²⁸ is also the only one evaluated in the scorecard which is starting to address the relationship between buying practices and human rights, including offering positive incentives to suppliers which demonstrate better labour standards. However, the context of highly competitive pressures continues to hinder progress.²⁹

Sainsbury's is one of the most-improved companies in 2020. It is the clear leader on the global scorecard for steps to support small-scale farmers, and the only one to recognize the need for farmers to get a fair share of value and to publish a living income assessment for farmers, albeit in just one supply chain. It has committed to long-term sourcing arrangements and to working with farmers groups as part of a strategy to support smallholders.³⁰

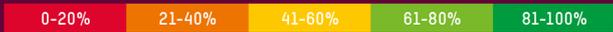
DOES YOUR SUPERMARKET FOOD CONTAIN HUMAN SUFFERING?

We analysed these leading supermarkets' policies and practices on human rights in their supply chains. We asked whether supermarkets are transparent and accountable in the ways they ensure that workers' rights are respected, small-scale farmers are prosperous and the women who produce our food are treated fairly.

* * * * *

SUPERMARKET	TRANSPARENCY & ACCOUNTABILITY	WORKERS	SMALL-SCALE FARMERS	WOMEN	TOTAL SCORE
	50%	67%	25%	43%	46%
Sainsbury's	42%	54%	50%	29%	44%
	38%	54%	17%	24%	33%
	40%	38%	25%	24%	32%
Walmart 	38%	25%	21%	33%	29%
	31%	35%	21%	10%	25%
REWE	29%	25%	33%	10%	25%
JUMBO	33%	29%	13%	14%	23%
	25%	19%	21%	10%	19%
	29%	13%	21%	10%	18%
	10%	25%	13%	0%	12%
	13%	13%	8%	0%	9%
	6%	17%	8%	0%	8%
	8%	13%	4%	0%	6%
	8%	8%	4%	0%	5%
	0%	8%	4%	0%	3%

* * * * *



www.behindthebarcodes.org



OTHER NOTABLE MOVERS ON THE SUPERMARKET SCORECARD

Oxfam has long encouraged companies to use Human Rights Impact Assessments (HRIA). This year, four additional companies (Aldi North, Lidl, Morrisons, Sainsbury's, followed Albert Heijn, Aldi South, Jumbo and Tesco in committing to undertake HRIsAs focused on women, workers and/or farmers. Eight out of the 16 companies on the scorecard will now publish HRIsAs in the next two years.

The 2020 scorecard showed definite signs of progress on the pillar covering fair and equal treatment for women. Morrisons, Lidl and Tesco improved their gender-specific policies, and all three caught up with Sainsbury's on committing to track the number of women and men in key food supply chains. Five additional companies (Aldi North, Jumbo, Lidl, Morrisons and Rewe) now recognize the root causes affecting women as workers and producers, such as violence against women and unpaid care work.

In a welcome move, Morrisons, Sainsbury's, Jumbo and Lidl also recently joined Ahold Delhaize (parent company of Albert Heijn) and Tesco in signing up to the UN Global Compact's Women's Empowerment Principles.³¹

Morrisons, the most improved company on the scorecard since 2018, joined Tesco, Lidl and Sainsbury's in making a modest commitment to tackle very low wages/in-work poverty by committing to identify living wage benchmarks and make public how those apply in its food supply chain. Lidl, the most improved company on the scorecard since 2019, published a range of significant new policy commitments in April 2020.³² Rewe stood out amongst German companies in improving in its commitments to farmers, particularly through its specific projects (including in partnership with Fairtrade) which encouraged appropriate pricing and long-term deals with smallholder farmers, and supporting their collective organization.

Other retailers have made positive changes in policy. Aldi South published a well-received new human rights policy in October 2018.³³ And in September 2019, the retail giant Amazon published a new set of Supply Chain Standards and a Supplier Code of Conduct for all Amazon subsidiaries, including Whole Foods Markets, an exceptionally poorly performing retailer on Oxfam's Supermarket Scorecard. However, the policies of these companies fall far short of the commitments made by many other food retailers. In general, US retailers, who are lagging behind their UK and European counterparts, have shown disappointing progress towards improving human rights practices in their supply chains.



A fruit company employee uses the tractor to apply products to the grape plantation in Vale do São Francisco (San Francisco Valley), Brazil © Tatiana Cardeal

GOOD PRACTICES FROM THE GLOBAL FOOD INDUSTRY: MINIMIZING HUMAN RIGHTS HARMS AND INCREASING TRANSPARENCY

This section looks in more detail at some of the examples of emerging good practice by food companies and retailers, many of which respond to or echo key recommendations made in the Behind the Brands and Behind the Barcodes campaigns and move from a compliance-based approach toward a more holistic, rights-aware approach grounded in HRDD. Many supermarkets have conducted human rights risk assessment processes to inform their approach to manage salient risks. Risk assessment is important but must be recognized as just the first step of a much larger process. According to one interviewed expert, 'A lot of people think the assessment **is** the due diligence. It isn't due diligence, it's part one of due diligence.'³⁴

ADOPTION OF AN HRDD-BASED APPROACH

Human rights policies

As is now common practice, companies must implement comprehensive human rights policies outlining their HRDD efforts. Examples of better practice in the area of human and labour rights include the Ethical Trading Initiative (ETI) Base Code, SA8000 and the sourcing and human rights policies of The Coca Cola Company,³⁵ PepsiCo³⁶ and Unilever.

Human rights impact assessments

There was consensus amongst the experts interviewed that the use of social compliance audits is a necessary but not sufficient tool for monitoring compliance with human and labour rights principles. According to one interviewee, 'Audits are only as good as snapshots – they tell you conditions on the farm while the auditor was there, but nothing about what was happening in the weeks before and after that day'.³⁷ One expert recalled an instance in which a food retail manager admitted, 'audits can get to about 10% of the truth'.³⁸ There are common reports of things being hidden from untrained or inadequately incentivized auditors and workers being coached on what to say.³⁹

These must be supplemented with other measures, such as human rights impact assessments (HRIAs), which must include certain criteria to lead to positive change for communities (see Figure 2).

Figure 2 Requisite criteria for effective human rights impact assessments



In particular, as has been noted above and is a common theme throughout the recommendations for good practices made in this paper, effective HRIAs must reflect key principles. First and foremost, the people directly affected by the investment project must be engaged meaningfully. Local stakeholders include, but are not limited to, local workers (as represented by workers' unions or, where this is not possible, other workers' organizations), smallholder farmers or farmer cooperatives, and other affected community members (e.g. family members of the workers, local indigenous communities, etc.)

To be considered meaningful, their participation must be **informed**, which means they have to receive appropriate information in advance, in a format and language that is accessible to them. Engagement must be **inclusive**: Companies must reach out to a wide range of actors, including people with divergent views. They must make special efforts to engage with women separately and include other vulnerable groups who could be affected differently. Engaging communities and rights holders must be **ongoing**: starting with the identification of rights that are (or could be) affected, it should continue throughout the HRIA process. Finally, companies must be **transparent**. They must share the findings with all stakeholders and communicate how they will address the findings.

The following HRIA examples come closest to embodying the above criteria for the completion of a robust and meaningful HRIA as the start of a company's HRDD efforts. Unfortunately, such examples are limited because, so few companies opt to publish, let alone make widely accessible, the findings of their HRIAs.

- S-Group/SOK HRIA of its Italian tomato supply chain, completed in partnership with Oxfam;⁴⁰
- Nestlé reporting on its experience conducting HRIAs in partnership with organisations such as the Danish Institute for Human Rights and the Fair Labor Association, and the findings of these;⁴¹
- Oxfam supported Pastoral Land Commission (CPT) HRIA of Usina Trapiche sugar mill in Brazil and its impact on the human rights of a local fishing community.⁴²

For further guidance resources and specific HRIA good practice examples, see Addendum 2.

Grievance mechanisms

Under the UN Guiding Principles, people adversely affected by a company’s practices have a right to remedy and companies have an obligation to provide accessible grievance mechanisms, but very few good practice examples have yet been identified.

Table 3 Steps forward in company grievance mechanisms

Steps forward in company grievance mechanisms			
<p>Wilmar’s grievance mechanism has been identified by KnowTheChain as a leading practice, based on its ‘grievance procedure process flow’ and the degree of transparency that it pledges around grievances, details of the duties and responsibilities of the grievance unit at Wilmar’s head office, the grievance committee and the verification team.⁴³</p>	<p>Tesco launched a grievance mechanism pilot in its South African fruit supply chain.⁴⁴ Among other things, the pilot found that the success and scalability of such a grievance mechanism will depend on strong local motivation, funding, oversight, evidence of the business case for grievance mechanisms at the farm and processor level, and industry-wide stakeholder support.</p>	<p>The Fair Food Program reports having taken action to resolve around 2,200 complaints, without retaliation. Fair Food auditors interview at least half of all workers on each farm, far more than conventional auditors, and growers who are found to have violated the programme’s code of conduct can lose access to buyers. Women have particularly benefitted from the reduction in harassment and elimination of sexual assault and modern slavery.</p>	<p>The Equitable Food Initiative is a comprehensive program focused on worker engagement and labour retention. Its workforce development program emphasizes training to build trust, openness and provide space for workers to discuss grievances, leading to greater awareness and faster response times. Female farmworkers have reported to experience less harassment and discrimination among workers, supervisors and managers.</p>

A number of interviewed experts suggested that the best possible redress mechanism would be one based on local institutions. To this end, companies should, wherever possible, focus on strengthening existing local institutions.

Prevention of human rights harms in supply chains

Food retail companies have recently begun to be open about the human rights issues in their supply chains and to adopt policies and practices that seek to bring operations and sourcing more in line with, human rights obligations.

Migrant workers and the payment of recruitment fees

Migrant workers remain some of the most marginalized people in the global food system due to the precarious nature of temporary contract work and the exploitation that results from lacking legal documentation. Abrupt lockdowns and travel restrictions as a result of coronavirus have further exacerbated migrant workers’ vulnerabilities, especially in contexts where they are not provided with adequate rights and support.

Heightened risks for migrant workers due to coronavirus

Risk to health and wellbeing: In many instances, undocumented migrant workers have been abruptly ordered home or forced to leave their host countries due to the risk of coronavirus, without paid sick leave or a social safety net. These workers have faced crowding not only in the course of travel but also while waiting for passage at border checkpoints, risking exposure at a moment of heightened transmission.⁴⁵

There is also concern for migrant workers still living in their host countries that fall ill with COVID-19 as to how they will access the necessary care and treatment.

Risk to livelihoods: Many migrant workers have seen their wages abruptly cease and are now facing extreme loss of income or income insecurity. Those who lack the requisite government documentation or those whose employers failed to properly register them for social security may not be eligible for benefits that would allow them to continue to feed themselves and their families (e.g. unemployment insurance if they are laid off or fall ill).⁴⁶ Undocumented migrant workers in Thailand, for example, are not eligible for social welfare benefits such as food subsidies, unemployment insurance or other social protections.⁴⁷

The practice of forcing migrant workers to repay recruitment fees required to secure their contracts has also become a tool for their exploitation.

Figure 3: Emerging good practices addressing migrant worker payment of recruitment fees



- Training and interviews: Thai shrimp exporters CP Group, SeaFresh, and Thai Union⁴⁸ have implemented a programme of preventative trainings and interviews.⁴⁹ In 2019, Axfood launched a similar capacity-development pilot project focused on digital training for migrant workers from Cambodia and Myanmar in Thailand (in collaboration with QuizRR).⁵⁰
- Employer Pays Principle. The Leadership Group for Responsible Recruitment, whose membership includes Mars, Marks & Spencer, Tesco, Unilever and Walmart, is working toward the total eradication of migrant worker payment of recruitment fees by 2026, by implementing the Employer Pays Principle and leveraging their buyer power to encourage comparable changes from competitors and governments.⁵¹

A study conducted on the Thai Union's ethical recruitment model for the seafood supply chain notes that it is most important for brands and retailers to engage directly with recruitment agencies and workers and embrace an approach of continuous improvement, informed by independent monitoring. If this ethical recruitment policy is to succeed, retailers must factor the true costs of ethical recruitment into purchasing practices.⁵²

Increases in transparency, disclosure and reporting

An important part of preventing human rights harms is disclosure about the issues in company supply chains and how they are managed, and disclosure about supply chains themselves. It allows workers/producers to raise concerns up the supply chain (a form of grievance mechanism), informs consumers about food provenance and enables investors to better understand the company's operations and how it manages the inherent risks involved. While food retailers have made some advances in supply chain transparency in recent years, 'the grocery sector still lags behind the garment sector', in which 250 brands now publish their complete supplier lists as of April 2020.⁵³ According to Human Rights Watch:

'The more supply chain data is publicly available, the more likely it is that abusive conditions will be reported – whether publicly or to the brands whose supply chains are implicated – and the more likely it becomes that problems can be solved'.⁵⁴

Although food retailers have generally been slower to demonstrate supply chain transparency than their garment and textile counterparts, the UK's Marks & Spencer was one of the first retailers to publish an interactive map covering both garment and food suppliers.⁵⁵ According to Human Rights Watch, the company adheres 'to transparency practices that fall just short of the [transparency] pledge standards'.⁵⁶

Dutch retailer Albert Heijn, and UK retailer Morrisons have now published the names and addresses of their direct suppliers of own-brand products, largely in response to the Behind the Barcodes campaign. German discounter Lidl has done so but is yet to disclose suppliers fruit and vegetables⁵⁷ whilst Jumbo and Sainsbury's have committed to do so.⁵⁸ Morrisons' list – modelled on that of Waitrose – includes not only the number of workers at each supplier, but also the split between male and female workers and whether there is a union present.⁵⁹

The Consumer Goods Forum's Human Rights Coalition members, which are made up of food companies and retailers, have committed to a series of steps to promote decent working conditions. These include establishing HRDD systems in their own operations by 2025 and supporting transparency and disclosure efforts on the risks and challenges in addressing forced labour within their own operations and associated supply chains.⁶⁰

There have also been developments around the use of technology for advancing supply chain traceability. More recently, the Dutch food retailer PLUS started using blockchain technology to trace every banana from a store shelf back to the plantation on which it was grown. Consumers are able to retrieve details about the journey of their bananas by scanning a QR-code sticker on the banana and entering a farm group code.⁶¹ The purpose is to reduce the company's greenhouse gas footprint, but the same technology could be employed to provide relevant information about social conditions. In 2019, Nestlé announced a blockchain pilot project that will allow consumers to trace products back to the farm that produced their component parts, as well as access to some basic information about the production of those goods.⁶² And Oxfam has engaged in a project to test the benefits of blockchain in the Cambodian rice chain, known as Blocrice.⁶³

Collective bargaining and freedom of association

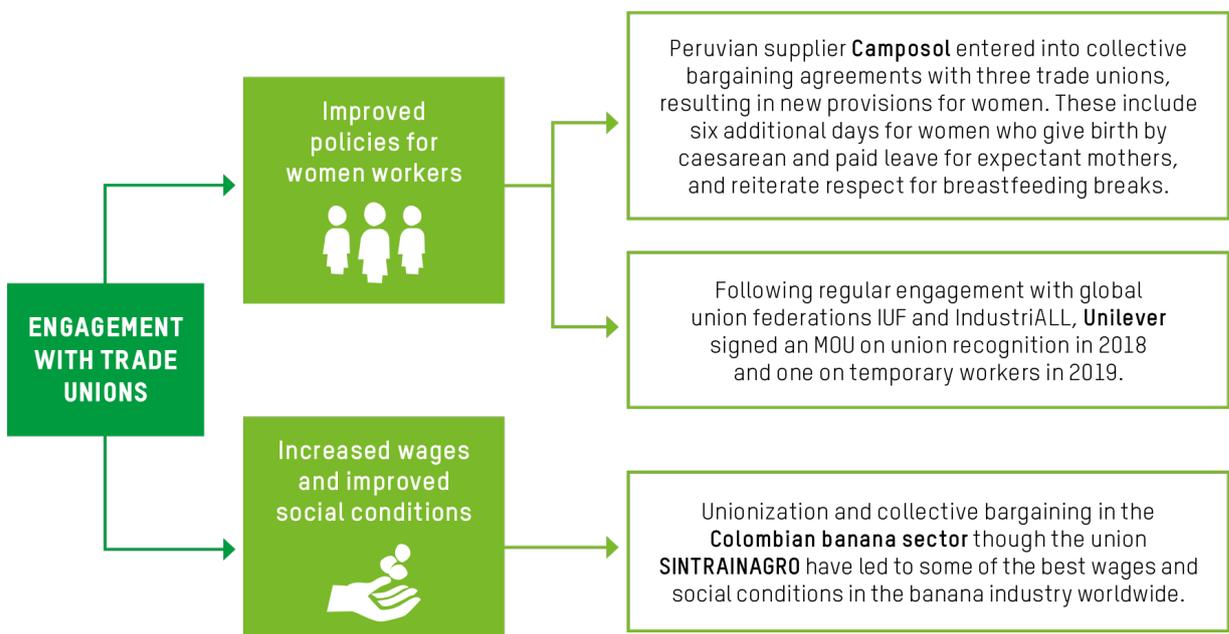
Independent labour unions representing the voices, needs and rights of workers remain the best mechanism for advancing the interests of workers, remedying the power imbalance between individual workers and their employers, and ensuring that workers' fundamental rights are respected. Almost all interviews indicated that direct consultative engagement with local workers' unions was superior to social compliance or HRIAs when it comes to identifying and weeding out poor labour practices.

Table 4 Retailer responses to coronavirus

Collective bargaining → Worker health + safety → Increased supply chain resilience	
<p>Where paid sick leave and the provision of PPE have been established, this has largely been the result of active union advocacy and ultimately collaboration between the union and the employing company (e.g. the relatively successful negotiations between US supermarket chain Albertsons Companies and the United Food and Commercial Workers union in the US). According to the Farm Labor Organizing Committee, key prevention measures are being put in place at farms in the US where workers can organize.⁶⁴</p>	<p>Unfortunately, many producing and processing workers around the world lack the right to freedom of association and collective bargaining, either in policy or practice. Reports indicate that these same workers still widely lack necessary protective gear, access to hand washing and sanitation stations at work sites and sufficient information (in their native language) regarding the risks to their health and safety.⁶⁵</p>

Most companies, however, remain resistant to their own employees and the employees of their suppliers actually voting to unionize, despite paying lip service to freedom of association in non-binding company codes and policies. But when companies do engage on level ground with trade unions, it results in better practices for workers.⁶⁶

Figure 4 Positive impacts resulting from engagement with trade unions



Source of information on Unilever:

2018 MOU <http://www.iuf.org/w/sites/default/files/Signed%20Unilever%20MOU.pdf>

2019 MOU <http://www.iuf.org/w/?q=node/6861>

Figure 5 Good practices for respecting freedom of association and collective bargaining



Paying a living wage

The better-quality human and labour rights policies reference the payment of a living wage, but often in vague terms (e.g. fair wages, liveable wages), and implementation tends to fall well short of policy. According to the experts interviewed, payment of a living wage has proved challenging because i) its calculation varies depending on jurisdiction, and ii) it is costly for companies to pay their workers more.

Pay quotas and piecework may further impede payment of a living wage, and in a manner that has a disproportionate effect on women. Often women (and children) work to meet quotas or piece-rate requirements on behalf of a man in their household, but they are not counted as workers and thus are not compensated for their work (there is more on unpaid work in the following section).⁶⁷ Treating (and therefore paying) all individuals completing work as workers would also ensure proper training for all workers, resulting in improved yields.⁶⁸

Failure to pay a living wage has begun to cost companies their workforce: as entire sectors of agricultural production become financially unsustainable, workers look to other industries which pay more (e.g. West African cocoa farmers turning to rubber and cashew plantations, and migration from rural communities to cities). Payment of a living wage would enhance supply chain resilience, enabling companies to better withstand disruptions like climate change and the coronavirus pandemic.⁶⁹

Notable initiatives that are driving progress towards a living wage in food and garment sectors are:

- Multi-stakeholder sectoral initiatives focused on collective bargaining and fairer value distribution, such as World Banana Forum⁷⁰, Malawi Tea 2020⁷¹ and the Action, Collaboration, Transformation (ACT) initiative in garments.⁷²
- The Equitable Food Initiative (EFI) is a non-profit scheme spearheaded by Oxfam, that works towards a more equitable food system.⁷³ It aims for continuous improvement in conditions for farmworkers who receive a bonus from participating retailers (total nearly \$2m in 2019).
- An accreditation for Living Wage employers in the UK, now applying the same principles to enable schemes to develop in other countries (the Global Living Wage Initiative).⁷⁴
- Fairtrade International has introduced a floor wage requirement into its Standard for Flowers and Plants which has led to increases of 30 – 120% in the base wages of flower workers on certified farms in Ethiopia, Tanzania and Uganda. It also engages with trade unions to enable negotiated living wages at global, regional and local levels.

- Benchmarks of a living wage commissioned by the Global Living Wage Coalition,⁷⁵ an alliance of certification schemes, to help companies understand current living wage gaps and provide targets for progress. Studies are led by the Anker Research Network which now produces desk-based Reference Values as well as in-depth benchmark studies.⁷⁶
- WageIndicator.org offers data points for reference.⁷⁷
- A living income Community of Practice to share learning on what works.⁷⁸
- The Fair Food Program, which collects premiums from food brands buying fresh produce and distributes them in bonuses to US agricultural workers.
- Farmer Income Lab, a collaborative think-and-do tank which conducts analysis on how to improve incomes for smallholder farmers in global supply chains.
- Initiatives exploring regulatory solutions, such as The Circle.⁷⁹
- A Dutch investor-led initiative, Platform Living Wage Financials.⁸⁰

All these initiatives set out with high hopes of enhancing workers' incomes but almost all have faced enormous barriers to deliver against target outcomes. Common barriers include enormous price pressure, low commodity prices, very low legal minimum wages, attitudinal resistance of brands and employers, and the absence of collective bargaining.

For more information on further good practice initiatives identified, see Addendum 2.

Tackling gender inequality

Civil society organizations and food retailers are increasingly taking the following measures to combat gender inequality in supply chains:

- Gender policies and equality assessments;
- Gender pay gap reporting;
- Gender role distribution;
- Compensating women for unpaid work.

Figure 6 Emerging practices for combating gender inequality in supply chains

 GENDER POLICIES AND EQUALITY ASSESSMENTS	 GENDER ROLE DISTRIBUTION	 GENDER PAY GAP REPORTING	 COMPENSATING WOMEN FOR UNPAID WORK
<p>Mars, Mondelez and Nestlé have committed to i) do gender equality assessments of their cocoa supply chains, ii) develop, based on those findings, an action plan, iii) share the findings publicly, iv) sign up to the UN Women's Empowerment Principles and v) join relevant multi-stakeholders initiatives addressing gender. Mondelez and Nestlé are notable for having already completed extensive gender equality impact assessments.</p>	<p>Compagnie Fruitière, the largest banana producer in Ghana, has partnered with BananaLink and the International Union of Foodworkers to tackle the issue of the disproportionately low levels of women employees in their subsidiary Golden Exotics Ltd, a Fairtrade-certified plantation.</p>	<p>Business for Social Responsibility and C&A Foundation's Making Women Workers Count: A Framework for Conducting Gender Responsive Due Diligence in Supply Chains identifies indicators to measure outcomes for workers and includes the Gender Data and Impact (GDI) tool, which suppliers can use to detect gendered gaps in outcomes for workers, design effective action plans and track improvements.</p>	<p>The Body Shop supported a local sesame oil initiative, ultimately agreeing to pay women's 'support labour costs' of \$50/year. The initiative calculated women's time spent on work that directly contributed to crop production, work that indirectly contributed, and work in the home.</p>

Some companies in the textile and apparel garment industry have also ensured that gender equity is considered in all audits and other monitoring, all workers have access to appropriate reporting channels, and all workers have effective representation with management.⁸¹

Table 5 Unpaid but essential: The true impact of supply chain gender inequality

<p>Gender-based violence and lack of basic protections:</p> <p>Women frontline workers (e.g. more than 70% of US retail cashiers are women) suffer penalties as victims of domestic violence (due to restriction of movement and curfew)⁸² and lack sufficient maternity and other family care leave and basic pay equity;</p> <p>This is even the case for those who are risking their lives to help keep others safe and healthy during the coronavirus crisis.⁸³</p> <p>These same workers are also at greater risk of gender-based violence at home (due to the increase in hours spent sheltering at home) in communities affected by the pandemic.⁸⁴</p>	<p>Unpaid essential work:</p> <p>The global food system's longstanding reliance on women's unpaid work across industries is now receiving greater attention.</p> <p>Prior to coronavirus, women worldwide already grappled with three times the amount of unpaid care work as men, but this has only increased with the pandemic.⁸⁵</p> <p>Women are spending more time collecting water to meet hygiene demands and caring for the elderly, children, the household and their communities, as well as home-schooling their children.⁸⁶ School closures and the shift to online education for some schools requires women to stay at home to take care of all their families' needs.⁸⁷</p>
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Maria, 28, has worked for six years in the packing house of a mango and grape company in Rio Grande do Norte, Brazil. © Tatiana Cardeal

MOVING TOWARDS A SYSTEMIC CHANGE FOR THE POST-COVID WORLD

It is clear that food retailers engaging with Oxfam workers' rights recommendations under the Behind the Barcodes campaign have taken much-needed steps in order to avoid escalating negative impacts on workers in retailers' supply chains.

But pervasive economic inequalities will continue to expose vulnerabilities in food retail supply chains even after the current crisis. While the good practices discussed in the previous section are welcome and urgently needed, they alone have not been sufficient to secure the sea-change transformation in the global food industry that is necessary. They will not automatically lift companies above an overall threshold of good practice

To truly ensure that changes in policy and practice translate into meaningful outcomes for affected communities, companies must enact fundamental, systemic changes in the way they do business. Thus, it is in the best interests of retailers, suppliers and their owners to rebuild supply chains that are inclusive, resilient and sustainable.

To this end, global food retail companies have a tremendous opportunity to demonstrate leadership and capitalize on this moment – including an opening to raise understanding and awareness of food supply chain issues among their customers. To create a systemic change, they should consider:

1. Embedding human rights responsibilities in corporate governance and the company's purpose, and ensure respect for human rights is measured, managed and reported.
- **C-Suite and senior leadership's involvement in human rights issues is critical to the realization of meaningful change.** These issues should be made standing agenda items at executive and board meetings accordingly.⁸⁸ Increased worker representation on corporate boards would also help serve this end.⁸⁹
 - **Companies should also consider including human rights metrics in the targets and KPIs** on which executive compensation is based, thereby better linking financial incentives to performance on social issues. This is the case, for example, with respect to the mining and extractive industries that now include safety metrics in many executives' incentives packages.⁹⁰

Figure 7 Creating a systemic change in the global food supply chain



2. Adopt a comprehensive HRDD approach, with a proactive gender lens and integrate into core business practices. For food retailers, this means ensuring that suppliers win business based on their own good practices, prices reflect the cost of sustainable production and a fair share of value demonstrably reaches the women and men producing food products

Buyers, supply chain managers and all other commercial team members should not only be trained on labour and human rights good practices but become champions of human rights due diligence.⁹¹

- Bonus incentives, whether of directors or buyers, should have a clearer relationship to social indicators.⁹² Suppliers with good labour and human rights practices should get preferential contractual terms and obtain more business from major retailers that value ethical sourcing.
- Suppliers should feedback safely on how they are treated by retailers and workers should feedback safely on how they are treated by employers/suppliers. Suppliers should be supported by retailers especially during a crisis or a disruption to ensure supply chain continuity.⁹³ Consumers should have an easy way to differentiate products based on this, building on, but going beyond, the product certification schemes invented 20 years ago.

Three good practice initiatives to improve food retailer/supplier relationships and practices are outlined in Addendum 3.

3. Companies should engage investors on what it takes to address the 'social' in ESG issues effectively and the implications for the role of investors

This starts with increased disclosure of and reporting on conditions for their supply chain workforce, for example via ShareAction's Workforce Disclosure Initiative (WDI). Companies can also make the case to investors for replacing the current focus on short-term shareholder value with a long-term, stakeholder value approach that will ultimately reduce investor risk and assure sustainable returns.

4. Advocacy to governments to ensure that all companies are obliged to meet the same regulatory requirements to protect human and labour rights in their food supply chains and no-one gets a competitive advantage from workforce exploitation.
- Companies should use their considerable leverage vis-à-vis sourcing-country governments to call on those governments to implement and enforce legislation that protects human and labour rights. A coordinated message from the food retail industry, via bodies such as the Consumer Goods Forum or the World Business Council for Sustainable Development, could be in its own best interests as well as those of workers and farmers.

- A coordinated call for universal, mandatory HRDD legislation would be a major step forward.⁹⁴ Addendum 4 lays out a number of good-practice examples of companies advocating for improved governmental policies toward workers.



In order to keep the shrimps fresh, Susi*, 19, prepared them at a factory in Indonesia in freezing conditions that meant her hands were constantly numb. Susi didn't feel able to say no to overtime which can sometime add an additional three hours onto her working day, and she often missed lunch or didn't take a toilet break in order to try and reach the unrealistic targets set by her employer.

TURNING A CRISIS INTO AN OPPORTUNITY FOR SYSTEMIC CHANGE

Coronavirus has accelerated and intensified the significant risks and threats faced by workers in global food supply chains. It has brought health risks, disruptions, economic crisis and, in many corners of the world, despair. But as the global community attempts to respond and rebound, it could prove to be a moment for change – and even an opportunity – for a systems transformation.

The pandemic has also demonstrated the vital importance of food workers at every level of the supply chain in feeding the world's populations especially during a time of crisis. It has highlighted the degree to which workers' unions and other organizations representing the voice of workers are absolutely critical, not only to protecting worker lives and livelihoods, but to ensuring that essential businesses like food production and retail are able to maintain operations during a crisis.

In the words of the Economist Intelligence Unit:

*'One of the lasting impacts of COVID-19 will be a greater focus on risk in multinationals. However, this is not without its challenges. Whether it is regionalizing a supply chain or appointing a Chief Risk Officer, the immediate return on these investments will be hard to see. Rather, as more time passes after the worst of this pandemic, the apparent need to invest in risk-related practices will decline. But reverting back to a sole focus on growth with little regard for risk would be a mistake.'*¹⁹⁵

The global food retail industry needs a handful of leaders to step forward from its ranks and talk publicly about the need for a decent level playing field on which responsible businesses can trade and compete without concomitant exploitation. Now is the time to re-imagine the 'business as usual' retail model. The progress we have outlined in company approaches, policies and levels of disclosure are critical first steps to defining a system where profits do not depend on hidden exploitation but strengthens the long-term resilience of a food system fit for the future.

The pandemic has shown that things which people said could never be changed, have changed within weeks. With a will, this can change too.

What kind of society will emerge from the wreckage of the coronavirus pandemic – and what type of legacy can we collectively achieve? This is a moment to influence the outcome rather than wait to see what happens. This could mark the moment in which we as a global community of stakeholders decide to do things differently, to protect those vulnerable men and women on whom, at the end of the day, we most rely – the world's food workers.

As the pandemic has moved into its second phase and is now rapidly spreading in some of the world's major food producers – which include Brazil, India, Pakistan, Chile, Peru, Mexico and South Africa – we must not be complacent. Let's treat this crisis as a crucible for corporate and governmental leadership.

Addendum 1: Financial, legal and other liability considerations motivating company efforts to improve labour and human rights practices:

- Consumer demand, reputational costs and risk to brand identity. Harm to company reputation and brand identity can adversely affect customer loyalty and employee recruitment and retention, both of which prove costly to companies. One Harvard Business Review study found that a bad company reputation could incur a cost of up to an additional 10% per company hire.⁹⁶

There is also evidence of increased consumer demand for ethical products. A recent consumer survey in 23 countries found that three-quarters of respondents feel it is important to buy 'ethical food' produced in socially and environmentally responsible ways. Another survey in the US, UK and France found that 71% of people, especially the under-25s, are concerned about the governance of issues such as workers' rights. And a YouGov poll for Oxfam in 2018 found that almost nine out of ten Aldi customers in the UK believe it is important for the supermarket to ensure that the workers who produce its food earn enough for at least a basic standard of living (87%) and that there are no inhumane working conditions (88%). Almost half said they would be willing to switch from Aldi for a different supermarket with more ethical practices.

- On this issue, interviewees noted that companies fear the damage to brand identity and reputation posed by an NGO campaign and negative media attention, and that avoiding these is a key driver motivating positive change.⁹⁷
- Increased return on investment and protecting the bottom line. Sustainable business practices are correlated with above-average return on investment. Again, researchers at Harvard Business School have concluded that there is a positive relationship between corporate investment in sustainability and financial and operational performance.⁹⁸ By way of example, if farm worker recruitment and retention are a net cost to a buying company (as has been the case, for example, in the cocoa sector), then good labour practices present an opportunity to increase retention and reduce recruitment costs.

Ethical companies may also outperform their competitors in terms of both operational performance and stock price.⁹⁹ One recent meta-analysis found that 80% of studies reviewed showed that a focus on social and environmental standards had a positive effect on stock price performance.¹⁰⁰

Reduced financial and legal liability. Risk of legal and related financial liability is perhaps the greatest source of motivation for meaningful corporate change. According to one interviewer, there is 'nothing like a legal requirement to focus the mind'.¹⁰¹ In general, companies that know and understand their foreign operations, and have developed and implemented policies and procedures to govern them, tend to be better placed to prevent legal liabilities.

In line with the UK Modern Slavery Act, French Duty of Vigilance Law and others, the 2016 amendment to the US Tariff Act of 1930 provides for an outright prohibition of the import of goods made with forced labour upon penalty of Withhold Release Orders (WRO) and civil and individual criminal liability.¹⁰² The threat of a WRO preventing an expected delivery of goods is a significant motivator for the prevention of forced labour in supply chains.¹⁰³

- Early adopter advantage. Voluntary adherence to 'soft law' norms and standards by a significant number of companies reduces the case for legislative and regulatory reform. As local and international laws evolve towards increased corporate due diligence on social compliance matters, companies should adhere to such standards while they are still just soft law norms.¹⁰⁴
- A longer-term shareholder and stakeholder value approach will ultimately better serve a company's financial interests. An obsessive focus on short-term share value serves only the short-term interests of executives (in the form of executive compensation) and certain

investors (like hedge funds) at the expense of the company's long-term share value and stakeholder wellbeing.

- Recent proposals from the UN and others are seeking to redefine the traditional concept of fiduciary duties to incorporate ESG factors that better serve a company's bottom line in the long run.¹⁰⁵ Incorporating ESG factors, a long-term value approach and ultimately a stakeholder value approach into corporate decision making also helps companies future-proof their business models against societal changes and crises like climate change and coronavirus, and reduces the impacts of those on all affected stakeholders.¹⁰⁶

Addendum 2: Additional human rights impact assessment (HRIA) resources and examples

Human rights impact assessments can be carried out by a wide range of actors including companies and civil society organizations working closely with communities. Various methodologies exist to support companies in conducting HRIAs. The main tool specifically developed for community-based organizations is *Getting it Right* (<http://hria.equalit.ie/en>) Whether community-based or company-commissioned, HRIAs share similar foundations: They are grounded in internationally recognized human rights standards and principles. They measure the gaps between the human rights in principle and the human rights in practice. And they identify duty-bearers and rights holders.

For further insight and guidance on what makes an effective HRIA, see the following resources:

- Oxfam's Community-Based Human Rights Impact Assessment Initiative, the Getting it Right Tool (for conducting effective HRIAs) and the Training Manual for the tool (<https://policy-practice.oxfamamerica.org/work/private-sector-engagement/community-based-human-rights-impact-assessment-initiative/>).
- Danish Institute for Human Rights' Human Rights Impact Assessment Guidance and Toolbox (<https://www.humanrights.dk/business/tools/human-rights-impact-assessment-guidance-and-toolbox>).
- Shift's Doing Business with Respect for Human Rights: A Guidance Tool for Companies (<https://www.shiftproject.org/resources/publications/doing-business-with-respect-for-human-rights/>).

Good practice examples for achieving a living wage:

- The Ethical Tea Partnership, an association of tea brands including Unilever, Douwe Egberts, OTG and retailer Tesco, in collaboration with IDH Sustainable Trade Initiative, Oxfam and the Tea Association of Malawi, hoped to achieve payment of a living wage to 50,000 tea workers in Malawi by 2020.¹⁰⁷ Through collective bargaining and use of a sustainable procurement model, the gap between actual wages and a living wage had been closed by 29% by 2019.¹⁰⁸ An innovative Sustainable Procurement Model enabled brands to calculate their contribution to employers' higher labour costs, which has since been published by IDH as a Sustainable Procurement Toolkit.¹⁰⁹
- The Fairtrade Foundation changed its Flower Standards to include a minimum base wage in the Tanzanian cut-flower industry. According to Fairtrade, workers in at least one flower farm in the region saw a 30% increase in wages as a result.¹¹⁰
- Some retailers have achieved a living wage for their own employees, though not for their supply chain workers. This may reflect the trend that companies can no longer rely on government to represent the interests of society.¹¹¹ Ikea, Unilever and Burberry are independently accredited as Living Wage Employers via the UK-based Living Wage Foundation, whose Global Living Wage Initiative is supporting the development of similar schemes elsewhere.¹¹²
- In November 2014, Tesco committed to paying a living wage to banana workers by 2017 along its dedicated supply chains, the first company to do so. However, it then recognized the need for living wage benchmarks to help it understand the cost of production and the target was not achieved.¹¹³ It is now using the IDH salary matrix to understand what its suppliers pay in wages and the gap with the benchmark. German food retailers Lidl, Aldi South and North, Kaufland, Rewe, DM and Tegut meanwhile have committed to pay a living wage in their agricultural supply chains. Through their work with a German government-facilitated working group, they intend to do this through the calculation of income and wage gaps and the implementation of sustainable procurement practices together with buyers and suppliers. These measures are to be implemented in initial pilot projects by 2025.¹¹⁴

Dutch supermarkets including Albert Heijn, Jumbo and PLUS are working with IDH to reduce the living wage gap for workers at the banana producers from which they source, by at least 75% by 2025, using IDH's Salary Matrix tool.¹¹⁵

Sustainalytics has coordinated an investor statement on the importance of integrating living wages and income practices into their supply chain management, signed by 35 institutional investors.¹¹⁶

The Action, Collaboration, Transformation (ACT) initiative involves 17 garment brands and retailers (including supermarkets Lidl and Tesco) in collaboration with trade union federation IndustriALL, and seeks to secure living wages for workers through collective bargaining at the industry level.¹¹⁷ Workers can negotiate their wages under the same conditions, regardless of the factory they work in or the retailers and brands they produce for. The link to purchasing practices means that payment of the negotiated wage is supported by the terms of the contracts with global brands and retailers.¹¹⁸

Addendum 3: Good practice initiatives to improve food retailer/supplier relationships

- The **UK Grocery Code Adjudicator** is one positive, albeit limited, governmental tool for regulating retailer practices toward suppliers. The Adjudicator sends a survey to all suppliers looking for banned practices; where it finds a breach of the code of conduct, it can then levy a fine. A transnational version of this that extends to impacts on workers could scale up the scheme's positive impact.¹¹⁹
- Although currently focused exclusively on the garment industry, the **Better Buying** initiative 'encourages buyers to adhere to their contractual agreement and prevent risk that suppliers face, thus increasing the likelihood that products will be produced in factories that honour safe working conditions'.¹²⁰ A comparable initiative geared toward the food and agriculture sector would almost certainly help companies address these issues in a positive and meaningful way.
- According to its website, 'Better Buying allows suppliers to anonymously rate the purchasing practices of the companies that buy their products and tells brands and retailers which practices can be improved.'¹²¹ Its recent Index Report (2019) compiled reports on the business practices of 71 leading brands and retailers, based on 802 ratings submitted by suppliers headquartered in 52 countries.¹²²
- The UK **Prompt Payment Code**, to which Waitrose (John Lewis Partnership), Burberry, Asda, Tesco and Marks & Spencer are signatories, commits to pay suppliers on time within the terms agreed at the outset of the contract, without attempting to change payment terms retrospectively, providing suppliers with clear guidelines on payment procedures and encouraging their suppliers to adopt similar practices along their supply chains. Retailers may be suspended as signatories for failing to pay their suppliers on time.¹²³ The Code is geared toward small business suppliers based in the UK but has the potential to be scaled internationally.
- During the COVID-19 crisis, Fairtrade has made adjustments to its guidance on use of the Fairtrade Premium, so producers could temporarily use it for COVID-related responses such as furloughs and public health measures and has shared regular briefings with producers on UK market conditions and trends, to help inform planning at production level.¹²⁴ Fairtrade also established a relief fund for Fairtrade-certified producers, underwritten with reserve funding and seeking to leverage donor and company contributions such as emergency payments from companies.¹²⁵ Local co-operatives have also re-purposed themselves to provide COVID awareness sessions among local farmers and workers and carrying out sanitisation and prevention campaigns¹²⁶
- The Body Shop's Community Fairtrade Programme has worked with communities and committed to continuing up-front down payments to suppliers where applicable, and the Waitrose Foundation has also stepped in to offer funding and support to farmers and workers.¹²⁷

Addendum 4: Good practice examples of corporate advocacy for improved governmental policies toward workers

- The **ETI-led lobbying behind the UK Modern Slavery Act** provides one good practice example in this regard. In 2014, ETI convened companies, CSOs and unions to call on the UK government to expand the UK Modern Slavery Act, so that it would include and apply to companies' entire supply chain operations (including those outside the UK) and require public reporting on measures used to address risks of modern slavery in their supply chain.¹²⁸ The advocacy letter stated that, 'voluntary initiatives and partnerships can achieve vital progress in improving standards and tackling modern slavery. But effective and strong regulation can ensure such change occurs across industries, not just in the supply chains of responsible companies.'¹²⁹ Signatories to the ETI letter included Oxfam as well as a number of major UK supermarkets.¹³⁰
- Companies must also advocate for activists who defend human and worker rights in the sectors and countries in which they operate and from which they source. **Axfood's public advocacy towards the Ecuadorian government on behalf of human rights activist Jorge Acosta**, who had been jailed for speaking publicly and critically about the poor conditions for workers in the Ecuadorian banana sector, is an example of good practice in this area.¹³¹

The Fair Labor Association has also organized companies to advocate in person and through letter writing against the Cambodian government's repression of labour rights in Cambodia, and to speak on behalf of union leaders subjected to trumped-up charges by the government.¹³²

- **S-Group vociferously defended British human rights activist Andy Hall in response to the Thai defamation case against him.** Voicing its position that human rights defenders must have the opportunity to bring human rights violations to light without fear of reprisal, the company publicly condemned the Thai court's holding against Hall and donated funds to support his appeal.¹³³
- UK supermarkets announced that they would boycott Brazil as a sourcing country if restrictions on exploiting the Amazon rainforest were lifted by the government.¹³⁴

Most recently, on 6 February 2020, 15 global supermarkets/buyers submitted an advocacy letter to support the Thai government's fishery reforms to protect workers' rights and the marine environment. This is the first time that international buyers have stepped up to publicly support such progressive government-focused reforms.¹³⁵

Addendum 5: Method

This discussion paper is informed by a combination of i) literature review and analysis, and ii) a series of 26 expert interviews conducted using a standardized set of qualitative questions with leading stakeholders representing the private sector (including institutional investors), academia, and civil society and other non-government organizations (including Oxfam engagement allies).

The following is a comprehensive list of experts interviewed:

	Name	Organization	Role/position
1	Caroline Brodeur	Oxfam America	Business and Human Rights Adviser
2	Martha Rainer Opoku Mensah	Oxfam Ghana	Programme Officer, Livelihood and Private Sector
3	Jacques-Chai Chomthongdi	Oxfam GB	Southern Policy and Advocacy Manager (Food & Climate)
4	Patrick Owusu	Asunafo North Municipal Co-op. Cocoa Farmers and Marketing Union Limited	Union Manager
5	Tim Aldred	Fairtrade Foundation	Head of Policy
6	Faris Natour	Article One	Co-founder/Principal
7	Nick Kightley	Ethical Trading Initiative	Strategic Lead, Food, Farming & Fisheries
8	James Coldwell	ShareAction/WDI	Programme Lead, Workforce Disclosure Initiative
9	Felicitas Weber	Business and Human Rights Resource Centre/ KnowTheChain	Project Lead
10	Alistair Smith	Banana Link	International Coordinator
11	Jane Nelson	Harvard University	Director of the Corporate Responsibility Initiative
12	Richard Locke	Brown University	Professor/Provost/Supply Chain Expert
13	Stephanie Barrientos	Manchester University	Professor, Global Development Institute
14	Shelly Heald Han	Fair Labor Association	Chief of Staff and Director of Engagement
15	Shawn MacDonald	Verite	CEO
16	Peter O'Driscoll	Equitable Food Initiative	Executive Director
17	Tara Holeman	Partner at Ethos Matters	Labor Rights Promotion & ESG Due Diligence
18	Stephanie Daniels	Sustainable Food Lab	Senior Program Director
19	Didier Bergeret	Consumer Goods Forum	Social Sustainability Director
20	Caroline Rees	Shift	President and Co-founder
21	Kim Rogovin	Global Labor Justice – International Labor	Senior Seafood Campaign Coordinator

		Rights Forum (GLJ-ILRF)	
22	Roger McElrath	Business for Social Responsibility (BSR)	Associate Director
23	Kristina Areskog Bjurling	Axfood	Sustainability Manager
24	Esmé van Herwijnen	EdenTree Investment Management	Responsible Investment Analyst
25	Jon Mowll	EdenTree Investment Management	Responsible Investment Analyst
26	Anonymous sustainability analyst with a large investment fund.		

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