

Continuous Improvement in Human Rights Due Diligence: 2020 case-study progress

Demonstrating a respect for and commitment to upholding human rights and a strong human rights due diligence process is an [essential element of private sector action to tackle inequality](#) as outlined in [Tackling Inequality: The need and opportunity for business action](#). As a reflection of its primacy and relevance, WBCSD has incorporated human rights performance into its [new membership criteria](#) as of late 2020.

When a business fails to respect the labor rights of workers, delivers unsafe products and services or pollutes the environment — or if the business is connected to harm through its relationships — it undermines basic human dignity and exacerbates inequality.

At the same time, advancing the policies, processes and practices needed to ensure respect for human rights is one of the most fundamental things a business can do to help level the playing field and reduce inequalities of opportunity and outcome.

Agricultural value chains are complex and agribusinesses could impact a broad range of human rights and sustainability issues. [The 2021 food and agriculture benchmark](#) from the World Benchmarking Alliance indicates that just 8% of the 350 global food and agriculture companies have a comprehensive human rights due diligence mechanism in place. Yet, such mechanisms are essential to identifying, assessing and acting on human rights risks in business activities and supply chains.

WBCSD's Food and Agriculture pathway strengthens member company human rights due diligence through its Implementation Toolkit ([Advancing human rights policy and practice in the agribusiness sector](#)), including a set of case studies, a train-the-trainer slide-deck and an ongoing series of shared risks training materials. Urgent action on human rights is essential in agriculture given its significant land footprint and contributions to rural economic development and global GDP, including in countries with fragile social and political environments and weak jurisdictions.

Improving human rights performance needs to be a priority. With this in mind, our aim with this short report is to demonstrate – and stimulate – a collective journey of continuous improvement in human rights performance. It captures the progress [since 2020](#) as illustrated in six published case studies. Where possible, we have included quantifiable metrics and top tips, residual challenges and lessons learned.





Engaging the board

Bayer's independent Sustainability Council, established in 2020, now consists of nine external sustainability experts from the areas of healthcare, nutrition, agriculture and environmental and sustainable finance, representing a broad range of experiences, views and geographies. The Sustainability Council is helping Bayer further develop the sustainability elements of its business strategy and provide guidance on the contributions that the company can make with its research and development. They meet twice yearly in full, and Bayer's CEO Werner Baumann and other members of the Board of Management attend these meetings. In 2022, the Supervisory Board deployed a separate ESG (environmental, social, governance) Committee. The committee has eight members, with parity of representation between stockholders and employees, and focuses on Bayer's sustainable governance and business activities in the areas of ESG (2021 Bayer [Sustainability Report](#), p. 27 and 2021 Bayer [Annual Report](#), p. 19). The company aims to gradually establish gender parity at all management levels by 2030 and significantly strengthen further inclusion and diversity dimensions, including age, nationality, experience, LGBTQ+ and people with diverse abilities.

Bayer is currently assessing its updated Human Rights Policy for conformity with the requirements stemming from the German Supply Chain Due Diligence Act that comes into force in 2023. Both the human rights strategy and policy will become effective in 2022. Employees and members of the public can contact the worldwide compliance hotline, which is available in 300+ languages, if they believe there are policy violations.

Bayer also offers numerous ongoing training programs to enhance employee awareness of the importance of human rights in their day-to-day activities. Additionally, since 2021, the company offers a dedicated e-learning session on human rights. It is available in nine languages to reduce language barriers. Among others, it includes the topics of child labor, forced labor and health. Through this material, employees learn how to identify, analyze and address human rights violations. In 2021, more than 85% of Bayer's employees received training on aspects of its Human Rights Policy, totaling more than 215,000 hours.



Engaging palm plantations on labor rights

Since 2019, Bunge Loders Crokiaan (Bunge) and [Earthworm Foundation \(EF\)](#) have worked together to improve the welfare of workers in their supply chain in Malaysia, furthering its “no exploitation” policy commitments.

They do this through the Labor Transformation Program (LTP), a cross-company initiative to help third-party mills and plantations refine their labor rights management practices. The LTP focuses on four key labor rights areas prevalent in the Malaysian palm oil industry – employment contracts, recruitment practices, grievance mechanisms and freedom of movement – and engages small and medium-sized mills and plantations to address challenges in these areas. To date, five mills supplying Bunge’s Pasir Gudang refinery have committed to the LTP. [Learn more](#) about one plantation’s experience in the program.

In 2021, Bunge also completed its most comprehensive global human rights scan, with support from BSR. As a result, the company has begun efforts to enhance its governance, policies and procedures and to take into account its different supply chains and their unique social, political and economic circumstances. As these challenges and circumstances are dynamic, Bunge recognizes the importance of making periodic enhancements to ensure it vigorously addresses them.



Human rights risk assessment

Cargill addresses human rights risks in line with the approach set out in the UN Guiding Principles on Business and Human Rights focusing on prevention, monitoring and remediation. For example, this approach is integrated into its work to tackle child labor in cocoa where it continues to evolve and scale its Child Labor Monitoring and Remediation System (CLMRS), one of the most widely accepted and implemented approaches to tackling child labor. Cargill has over 50,000 households participating in CLMRS in Côte d'Ivoire, Ghana, Cameroon and Indonesia. It allows the company to track child labor in its supply chain and to work closely with families and communities to provide the right support. In addition, Cargill focuses on addressing the root causes of child labor through efforts to improve access to quality education, economically empower women and improve income diversification and access to agricultural inputs and financial services.

The company is also committed to providing or contributing to remedies, including through its existing grievance channels such as the [Soy Grievance Process](#) and [Palm Grievance Process](#). Cargill continues to increase awareness of its grievance channels among workers and community members, including in supply chains. Individuals can raise any concerns about the conduct of a Cargill employee or business through [Cargill's Ethics Open Line](#) which is available 24 hours a day, 7 days a week for employees and third parties anywhere in the world (subject to certain countries' legal limitations). A third party manages this channel to secure confidentiality and protection from retaliation.

Top tip for peer agribusinesses

Focus on addressing the root causes of human rights issues. By taking a community-driven approach based on building economic opportunities and well-being, the industry will be able to scale human rights efforts for a more sustainable, responsible food and agriculture industry for future generations.

Grievance systems

Golden Agri-Resources (GAR) has lodged 157 grievance cases (73% are resolved or closed for monitoring) in its online system / grievance tracker since late 2015 as part of its transparent and traceable production commitment. For grievances alone, GAR has supported third-party mills with 20 field studies (verification visits). In addition to verification, the company also helped with the development of action plans for improvement.

GAR proactively engages supplier mills in capacity building for GAR Social and Environmental Policy (GSEP) compliance and to simultaneously anticipate grievances. These efforts include engaging more than 500 supplier mills in GSEP socializations, over 400 in Smart SEED seminars, nearly 500 in training sessions (Smart SPOT and Smart STAR combined), and about 150 in assessments, site visits and development programs (Smart ART, Smart REACH and Supplier Self-Assessment combined). In addition to no deforestation, GAR continues to provide third-party supplier mills with human rights-related training, such as on Free Prior and Informed Consent (FPIC), responsible conflict resolution/grievance handling, land tenure studies, participatory mapping, social impact assessment, and responsible labor practices. GAR also promotes smallholder inclusion through the SAWIT TERAMPIL program in Aceh and North Sumatera, launched in late 2020 (a joint program with buyers Mars and Fuji) and a mentoring and coaching program designed to empower smallholder farmers in agronomy best practices.

Challenges and top tips for peer agribusinesses

“Beyond the law” requirements: Some requirements in its No Deforestation, No Peat Expansion, No Exploitation (NDPE) commitment go beyond the law. The company must be persuasive when approaching suppliers, as it can only approach supplier mills on a voluntary basis. **Top tip:** When approaching supplier mills, indicate that NPDE is part of product specifications that they must fulfil. It is simply a supply-demand relationship: when supply doesn't meet demand, there is no way to establish a business relationship.

Reluctance due to confidentiality: Traceability is key to sustainability and transforming supplier mills, yet not all are willing to share information that they might consider confidential. GAR should respect this. **Top tip:** In addition to offering a non-disclosure agreement, convince suppliers that you want to help them go to the next level – to be more competitive in the global market – and traceability is the starting point.

Engage first, suspend later: In a “suspend first, engage later” approach, GAR will lose commercial access to supplier mills and thus not be able to aid in their transformation and lose leverage. **Top tip:** Practice an “engage first, suspend later” approach as it is more constructive and productive. Tell supplier mills, even those with verified non-compliance issues, that if they are willing to improve and agree on a time-bound action plan, you will support them in finding a resolution while maintaining the buyer-supplier relationship. Exclusion should always be a last resort.



PHILIP MORRIS
INTERNATIONAL

Tackling child labor

The cornerstone of Philip Morris International's (PMI) [Agricultural Labor Practices \(ALP\)](#) program is a robust monitoring system performed in 21 countries by over 2,500 field technicians. In 2021, the program covered 91% of 253,000 farmers. Program staff visit the farms regularly to ensure the implementation of the ALP code and identify and address issues requiring immediate remediation. In 2020, PMI introduced a new methodology into its reporting approach to include the identification of issues related to the employment of children under the age of 15 and children under 13 doing any tobacco-related tasks. This reinforces PMI's risk-based due diligence process as it improves visibility and granularity on child labor incidences. Results over the past two years show a decline in the prevalence of child labor among contracted farms, from 3.5% in 2020 to 1.8% in 2021. In two tobacco-growing communities in Malawi, PMI implemented a pilot project for school feeding and afterschool activities in two schools. The aim was to tackle two drivers of child labor: low school attendance during peak tobacco production and the idleness of children after school hours due to a lack of recreational activities.

Top tips for peer agribusinesses

With the experience acquired so far, the one thing that stands out is the need to **build multistakeholder partnerships**. It is a fact that the scale, scope and complexity of social issues that all multinational companies face are of such a magnitude that no one company is able to address them alone. The ALP program is committed to openness in sharing challenges, lessons learned and successes in everything done on the ground.

Continuous improvement is the driving force toward impactful change and has been the most important value in the ALP program. Improving practices, strengthening due diligence policies and processes, staying abreast of developments, and listening to stakeholder voices have been leading the work toward positive contributions and shared value.

The digitalization of farm-by-farm monitoring is crucial to the program's overall success. With thousands of field technicians from different countries, backgrounds and educational levels, it was difficult to interpret the meaning of the code in a common way to ensure the reliability of the data collected. Digitalization means increased training opportunities, fewer mistakes, better reporting and, therefore, increased data accuracy. Relying on accurate data leads to the design of better interventions and proactive responses to persistent or emerging issues. Impactful and long-term change doesn't happen overnight but can be achieved with the commitment of all involved.



Providing safe spaces for children

As the hazelnut harvest in Turkey attracts a large migrant workforce, ofi (Olam Food Ingredients) has focused efforts on preventing child labor on hazelnut farms through education and training. ofi social workers identify children and their parents to refer to summer schools and train workers, farm owners, labor contractors and local authorities on the national legal framework to help prevent child labor on farms. Since the launch of ofi's Summer School program in 2015, it has opened 22 schools catering to some 1,200 children. ofi's support of the Science Movement program in 2021 has provided six schools with science equipment. This work aims to improve access to quality education and learning outcomes for children. Additionally, by the end of 2021, the company had registered 203 labor contractors with the Turkish employment system, paving the way for regulated employment in the sector. In 2021, more than 4,150 farmers, including nearly 270 women farmers, received training from ofi agronomists and social workers on good agricultural and social practices; some 6,750 women workers had received training on fundamental human rights and working conditions by the end of 2021.

Challenges and top tips for peer agribusinesses

Local partnerships with state authorities were crucial to opening the summer schools in ofi's hazelnut sourcing regions. These partnerships have also been crucial to project continuity and building trust among stakeholders in the supply chain. **Top tip:** To roll out effective programs across vast sourcing regions, it is necessary to prioritize local partnerships and mobilize adequate staff resources.

Another challenge of having a vast sourcing area is the large number of people required to attract children to the summer schools. To overcome this, ofi hazelnut teams employ seasonal social workers during the hazelnut harvest period to cover a wider geographical region and reach more children. But the best way to enact meaningful change is through greater collaboration. The company wants to invite new partners to join ongoing projects to be able to offer more safe spaces for children, train more farmers on good social practices and increase regulated employment.

Top tip: Only by building industry collaboration will it be possible to eliminate unacceptable practices in the sector.

ABOUT THE WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (WBCSD)

WBCSD is the premier global, CEO-led community of over 200 of the world's leading sustainable businesses working collectively to accelerate the system transformations needed for a net zero, nature positive, and more equitable future.

We do this by engaging executives and sustainability leaders from business and elsewhere to share practical insights on the obstacles and opportunities we currently face in tackling the integrated climate, nature and inequality sustainability challenge; by co-developing "how-to" CEO-guides from these insights; by providing science-based target guidance including standards and protocols; and by developing tools and platforms to help leading businesses in sustainability drive integrated actions to tackle climate, nature and inequality challenges across sectors and geographical regions.

Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability, united by our vision of a world in which 9+ billion people are living well, within planetary boundaries, by mid-century.

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