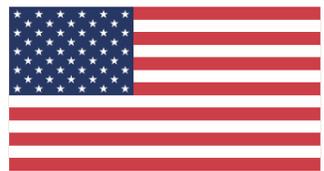


Due Diligence to Combat Human Trafficking in Food and Beverage Supply Chains

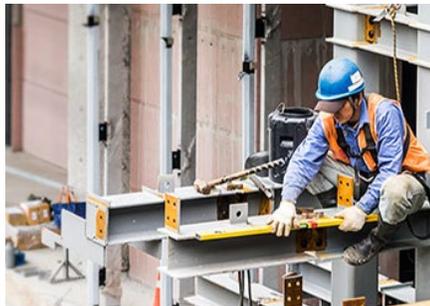
*with support from the U.S. Department of State, Office to
Monitor and Combat Trafficking in Persons*



VERITÉ
Fair Labor. **Worldwide.**

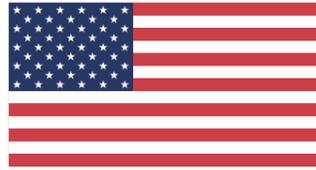
What are We Doing Today?

- Introductions (Who are we?)
- Definitions (What are we talking about, exactly?)
- Outlining Risks of Human Trafficking in the Food and Beverage Sector (What's the problem?)
- Due Diligence Approaches in Food and Beverage Supply Chain (What can we do about it?)
- Resources Available on [ResponsibleSourcingTool.org](https://www.ResponsibleSourcingTool.org) (But how?!)



Introductions (Who are we?)

Remarks from *U.S. Department of State, Office to Monitor and Combat Trafficking in Persons*



Who are We? About Verité

Founded: 1995

Vision: A world where people work under safe, fair, and legal conditions.

Mission: Provide the knowledge and tools to eliminate the most serious labor and human rights abuses in global supply chains.

Our Goals:

To provide businesses with tools that help to eliminate labor abuses.

To empower workers to advocate for their rights.

To create publicly-shared resources that enlighten and drive action.

To contribute our expertise to government labor and human rights policy.



What do We Do? Industries and Issues

We work globally with governments, multi-national corporations, suppliers, unions, NGOs, and labor advocates on mitigating risk to workers. Services include:

- assessments/investigations
- trainings for brands, suppliers, auditors
- consultations with governments, companies, initiatives

Focus issues include:

- human trafficking
- forced labor
- child labor
- gender discrimination
- unethical recruitment
- transparency and due diligence



Gap Inc.



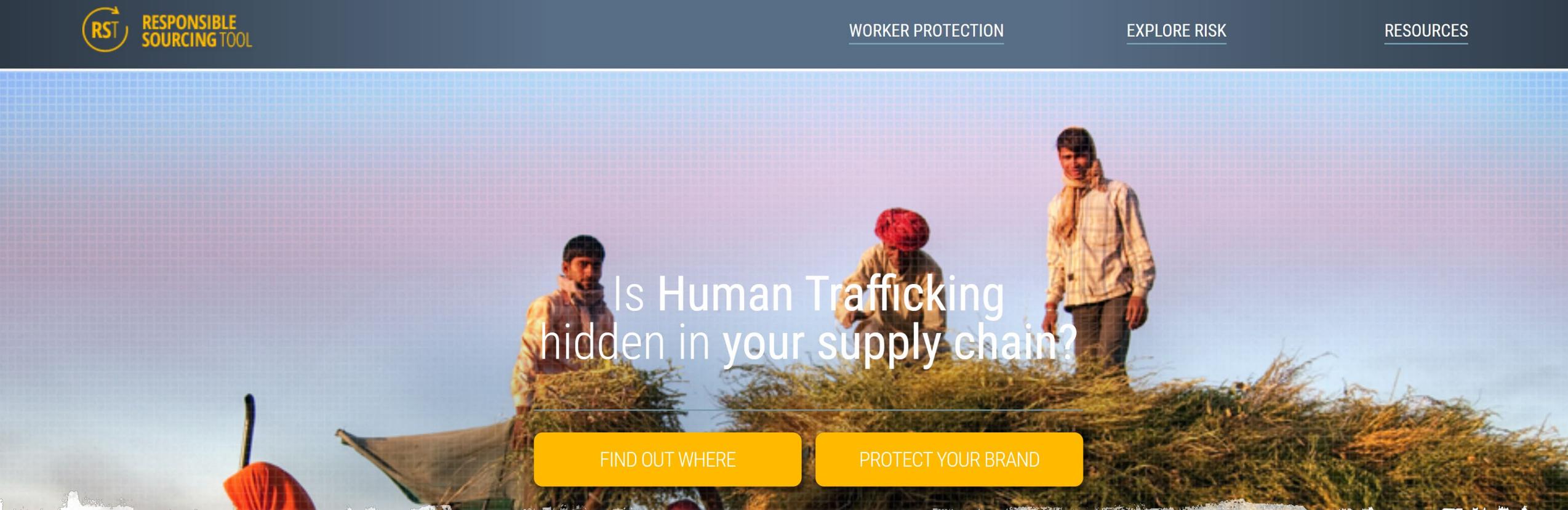
patagonia



KEURIG

EILEEN FISHER



A photograph of three men in a field with haystacks under a blue sky. The man on the left is wearing a brown jacket and a red turban. The man in the middle is wearing a brown jacket and a red turban. The man on the right is wearing a light-colored jacket and a white turban. The text 'Is Human Trafficking hidden in your supply chain?' is overlaid on the image.

Is Human Trafficking hidden in your supply chain?

[FIND OUT WHERE](#)[PROTECT YOUR BRAND](#)

- With support from the U.S. Department of State, Verité has developed the Responsible Sourcing Tool (www.responsiblesourcingtool.org)
- Developed to provide resource for federal contractors to meet the anti-trafficking compliance measures in the Federal Acquisition Regulations.
- Allows companies, federal procurement and contracting professionals, advocates, investors, and consumers to access comprehensive assessment of country- and industry-based risks of human trafficking and a suite of tools and resources to address those risks.

Recently updated to include tools tailored for the food and beverage sector.

Definitions (What are we talking about, exactly?)

What is Human Trafficking?

The United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, 2000, or “**Palermo Protocol**” defines trafficking as:

- The recruitment, transportation, transfer, harboring or receipt of persons,
by means of
 - the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person,

for the purpose of exploitation. Exploitation shall include, at a minimum,

- the exploitation of the prostitution of others or other forms of sexual exploitation, **forced labor or services, slavery or practices similar to slavery**, servitude or the removal of organs.

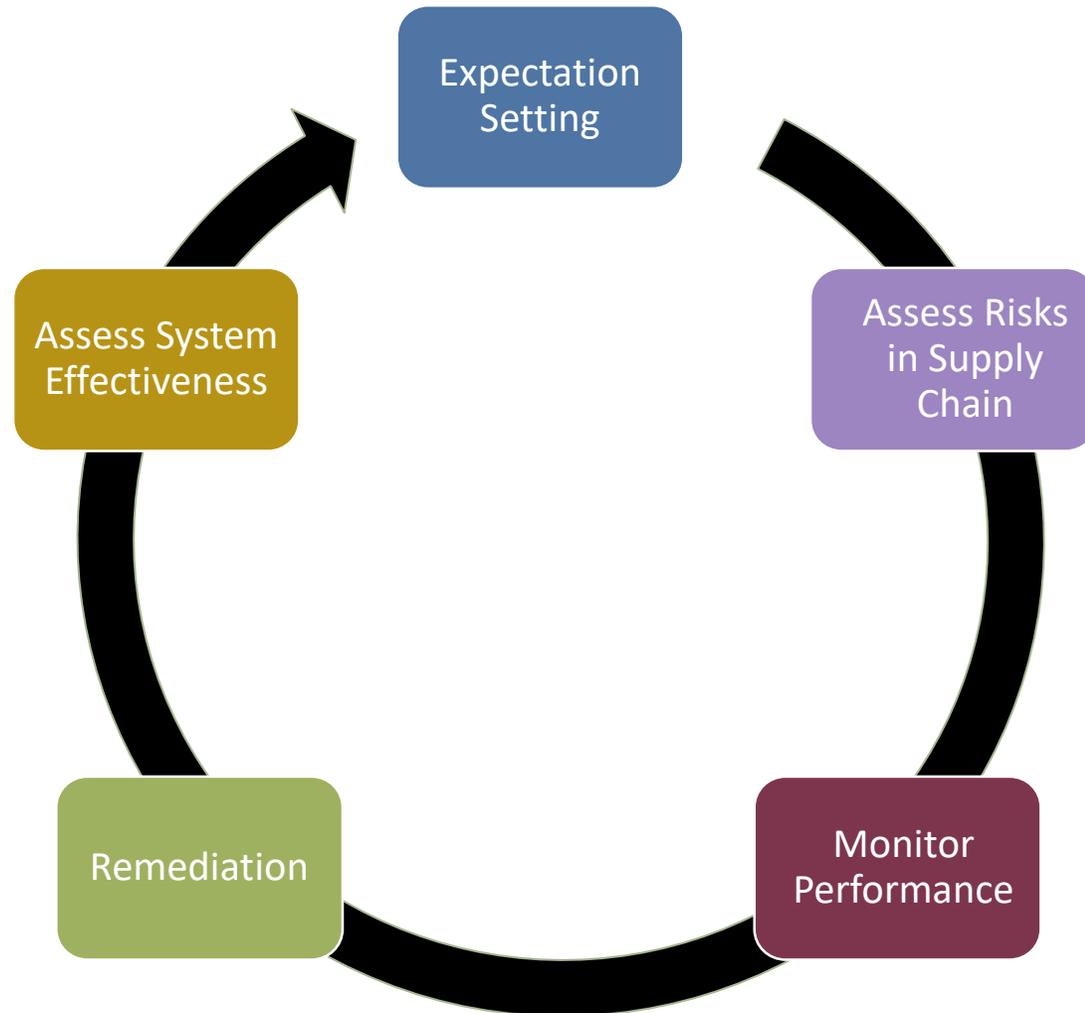


What is Forced Labor?

- ILO Convention 29, (1930) is the most authoritative convention on Forced Labor.
- Article 2 of this Convention defines 'forced or compulsory labor' as "All work or service which is **exacted from any person under the menace of any penalty** and for which the said person has **not offered himself voluntarily.**"



What is Due Diligence?



What are we talking about when we talk about the food and beverage sector ?



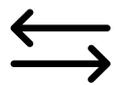
Primary production: Planting and harvesting agricultural crops; Raising livestock such as poultry and cattle.



First-line handlers and processors: Transform raw agricultural products into ingredients (includes meat processing/slaughter).



Manufacturing and processing: Creating a consumer-ready product.



Traders: Facilitate trade of commodities between buyers and sellers.



Transportation and distribution: Physically moving goods from one location to another.



Retail and food service: Provides goods to consumers.

PLUS! There's diversity at each level!
Hand-harvested vs. Mechanized crops;
Smallholder vs. Plantation; etc.

Outlining Risks of Human Trafficking in the Food and Beverage Sector (What's the problem?)

What's the Problem?

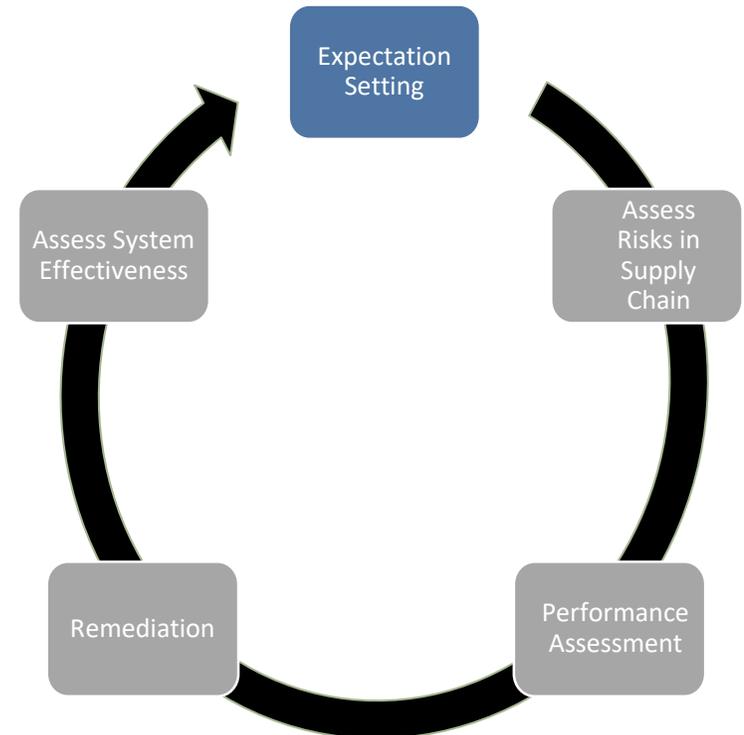
- **Opaque and complex supply chains**
- High concentration of **low-skilled and undesirable/hazardous work**
- High presence of **vulnerable populations, including migrants**
- The **seasonal nature of work** incentivizes temporary/casual work arrangements and use of third-party labor recruiters
- **Organizing and advocating** for rights, livable wages, and appropriate working conditions **difficult for workers**
- **Abuse, discrimination and harassment** at worksite
- **Low wages/earnings**
- Suppression of rights to **freedom of association and collective bargaining**



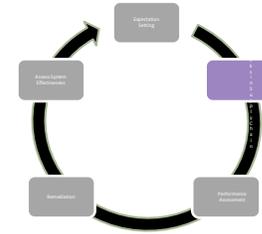
Due Diligence Approaches in Food and Beverage Supply Chain (What can we do about it?)

Expectations Setting in Food and Beverage Supply Chains

- **Codes of Conduct**
 - Commitment to address forced labor in their supply chains
 - Supplier code of conduct in place that requires suppliers to adhere to international standards prohibiting forced labor
 - Incorporate standards on the fundamental rights and freedoms articulated in the ILO Declaration on Fundamental Rights and Principles at Work
- Internal expectations – **Commitment and Governance**
- **Contract** terms and conditions
- **Training and capacity** building to meet expectations – internal and external
 - Provide stakeholders guidance and benchmarks on what meeting code standards looks like and how



Risk Assessment in Food and Beverage Supply Chains



Country Level

- Evaluates TIP risk at the national level based on legal, political, socio-economic and environmental factors

Commodity/Sector Level

- Looks at risks inherent to type of production (i.e. labor intensive, less desirable, less skilled work, patterns of reliance on outsourced/contracted labor, patterns of reliance on other vulnerable labor)

Country-Commodity/Sector Combination

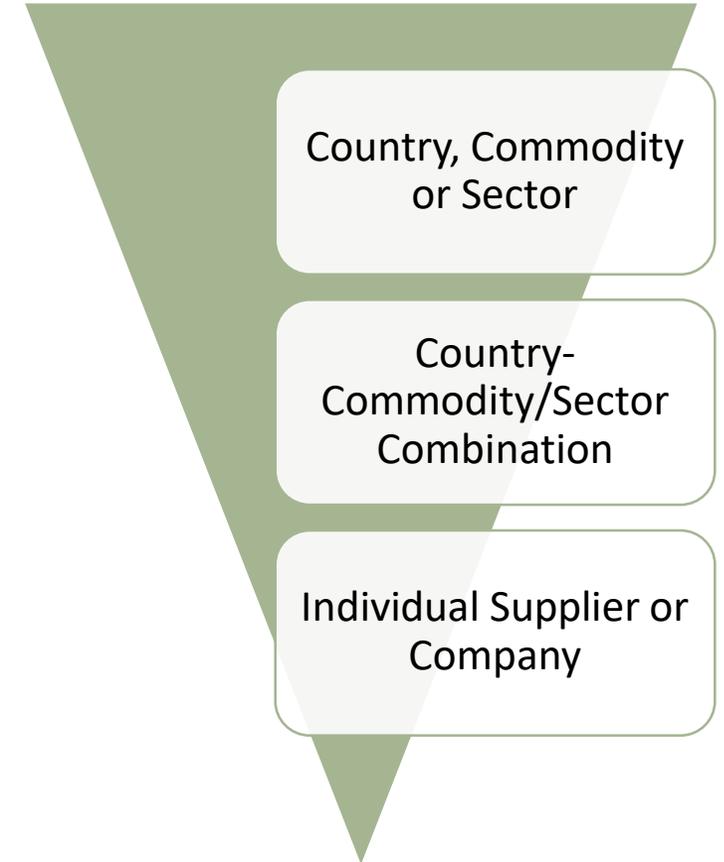
- Examines the unique relationship between the sector and the country context. Uses overall country and commodity data and adds authoritative documentation of risks/issues in a given context

Individual Company/Supplier Benchmarking

- Uses publicly available and/or proprietary information to benchmark specific brands and suppliers on particular labor problems in supply chains and/or direct operations

Company Engagement/Assessment

- Assesses risk through audits, research, worker engagement, grievance mechanisms, and SAQs. Provide high-level recommendations and toolkits, as well as tailored consulting and training



Risk Assessment in Food and Beverage Supply Chains

Food and Beverage supply chains often more **opaque**; makes determining chains of custody and recruitment complex.

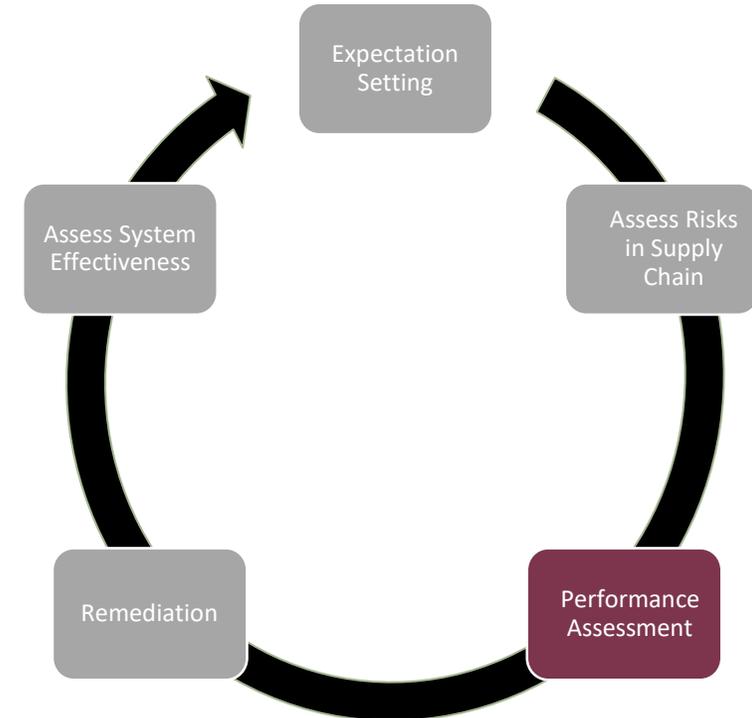
In some countries, **agriculture is specifically excluded from various core labor laws/protections (minimum wage, child labor, labor inspection).**

- ✓ Map supply chain and assess risk to **level of raw material**
- ✓ Ensure country-based risk assessment accounts for **sector context (informal vs formal)**
- ✓ **Understand role of commodities traders** and other middlemen in supply chain
- ✓ Consider how different purchasing strategies could enable increased visibility and risk mitigation, including role that **certification systems play.**



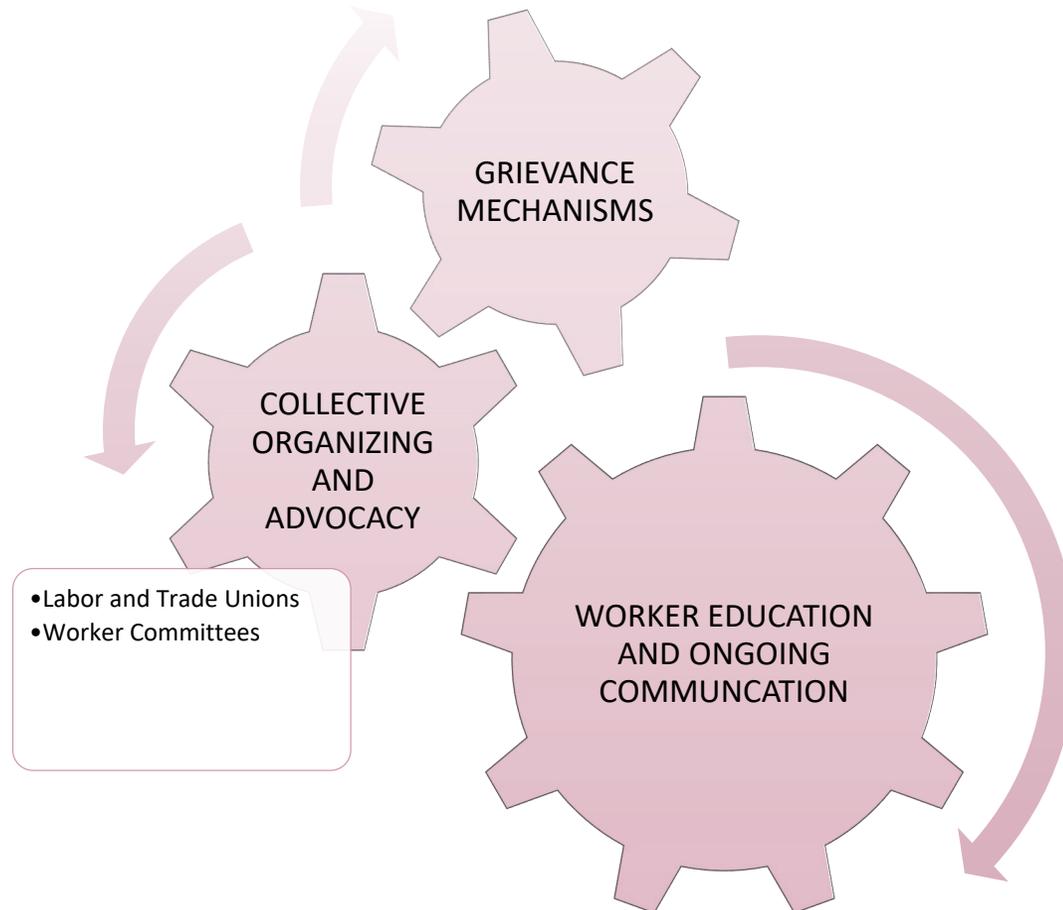
Monitoring in Food and Beverage Supply Chains

- Importance of Worker-centric Monitoring
- Validating or “Ground-truthing” information gathered elsewhere (grievance mechanisms, certification schemes, supplier SAQs)
- Key considerations
 - Who gets audited and how
 - known problems in audit quality, corruption, and poor auditor training
- Who chooses and pays for audit
- Frequency of auditing and percentages of supply chain covered
- Links between procurement decisions and audit results
- Policy and practice on auditing below first tier and expectations for cascading processes
- Public reporting on audit program, results, and impacts
- Role of grievance mechanisms/other worker engagement efforts



Worker Engagement

The ability for workers to **gain awareness of and advocate for their rights**, to **discuss workplace issues** of concern and interest, to have **channels for individual and collective advocacy** and to **communicate grievances** is essential to the fight against human trafficking.



A Note on Grievance Mechanisms.... They must be:

- ✓ **Legitimate:** enabling trust from workers and being accountable for fair implementation
- ✓ **Accessible:** known to workers and providing assistance to avoid any barriers to use
- ✓ **Predictable:** clear and known procedure with time frame for each stage, known types of process, outcomes available and ways to monitoring implementation.
- ✓ **Equitable:** aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.
- ✓ **Transparent:** Parties to a grievance informed about its progress; sufficient information about the mechanism's performance to build confidence in its effectiveness by external parties
- ✓ **Rights-compatible:** Outcomes and remedies accord with internationally recognized human rights.
- ✓ **Continuous learning:** Lessons for improving the mechanism and preventing future grievances and harms are systematically drawn and acted on.
- ✓ **Engagement and dialogue:** Workers are consulted on mechanism's design and performance, and engaged in dialogue as the means to address and resolve grievances.

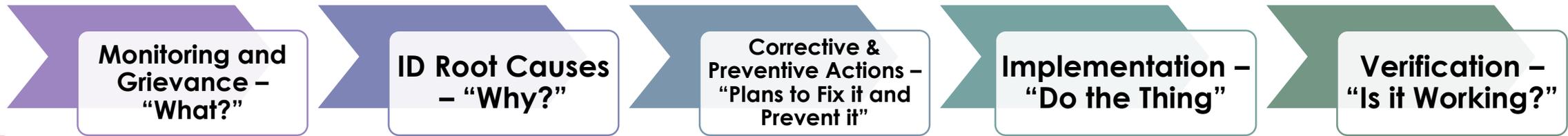
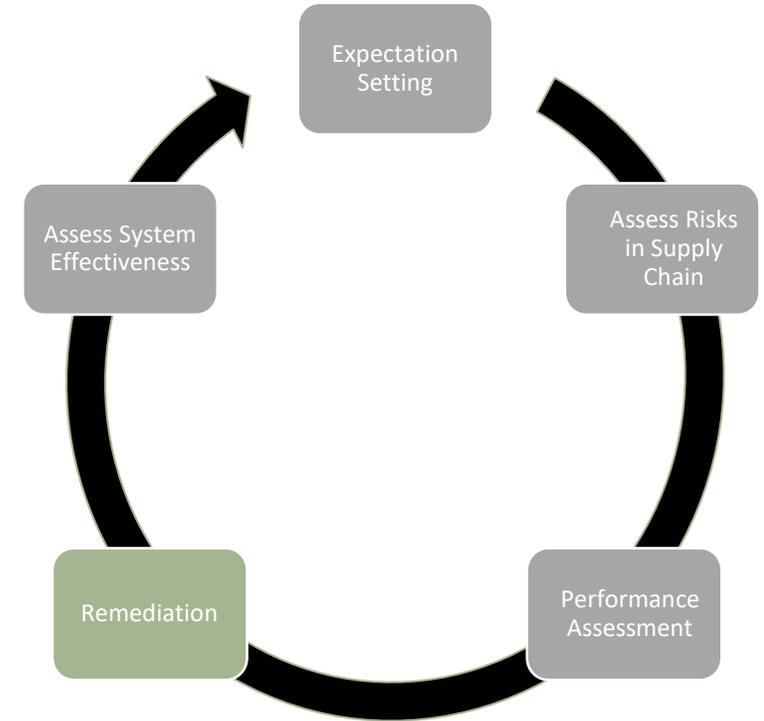
Monitoring in Food and Beverage Supply Chains

- **Hazardous/undesirable** work
 - Prevalence of **migrants**
 - **Informal/very small-scale workplaces**, often in highly **isolated** areas.
 - Presence of **family labor/child labor**.
 - **Seasonal** nature of work incentivizes flexible, **outsourced hiring through contractors**.
-
- ✓ Monitoring at **appropriate scale**
 - ✓ Know what you're looking for and include most vulnerable
 - ✓ Consider (potential) **absence of labor inspectors**
 - ✓ Have strategies for gathering accurate information about **workers' experiences without formal HR documents**, etc.
 - ✓ Adjust for **mobile populations**
 - ✓ **Include all labor recruiters**, including informal brokers



Remediation in Food and Beverage Supply Chains

(How the company enables effective remedy (“fixes and prevents it” if people are harmed by its actions or decisions in relation to child labor and forced labor.)



Remediation in Food and Beverage Supply Chains

- Risks often tied to development/broader contextual issues (conflict, poverty, environmental degradation, corruption, health, gender, etc.)
- ✓ Root cause assessment - beyond counting cases
- ✓ Work with CSOs or appropriate government bodies as appropriate for remediation programming and case referral - build on what exists



Resources Available on
ResponsibleSourcingTool.org (But how?!)



Food and Beverage Tools

- **Supply chain and labor supply mapping** in complex supply chains
- **Risk analysis approaches**
- Setting and cascading **expectations**
- **Role of traders** in upholding responsible sourcing policy and practice
- **Grievance channels** and **remediation**
- Particular considerations for **informal/smallholder workplaces**
- **Child labor risks** in food and beverage supply chains
- **Evaluating how third-party commodity sustainability** programs address TIP risks



Thank you!

Questions?

We'd love to hear from you:

aarbib@verite.org

www.verite.org

www.responsiblesourcingtool.org