Driving fair labor standards in food supply chains

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BRAND ACCOUNTABILITY
How the FLA works

• Multistakeholder initiative – Safe space
• Brand accountability
• Integrate labor compliance into supply chain management
• Culture of labor compliance from corporate to the field level
• Due diligence on companies’ programs and results at supplier level
• Public reporting

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TRACEABILITY AND RISK MAPPING
Knowing the supply chain and its risks

- Mapping
  - Supply chain
  - Upstream suppliers
  - Stakeholders
  - Country risks
  - Labor risks
  - Tasks
  - Gaps

- Prioritize
  - Program implementation
  - Monitoring
  - Remediation
BUILDING MANAGEMENT SYSTEMS
Commit and implement throughout the supply chain

Principles of Fair Labor and Responsible Sourcing

- Top management commitment
- Building capacity of staff and suppliers
- Implement program throughout the supply chain
- Consult with CSOs and external stakeholders
- Remediate and measure impact

Suppliers’ Monitoring against Code

- Companies’ internal monitoring program
- Labor standards and management systems
- Remediate and build capacity
EXTERNAL MONITORING AND REPORTING
External assessment

**HQ corporate level**
- Annual reports
- Accreditation

**Upstream suppliers level**
- Management systems review
- Farm level labor compliance assessments

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**Company headquarter**

**Tier 1 suppliers / Traders**

**Tier 2 suppliers / Intermediaries / Cooperatives / Agents**

**Upstream suppliers / Raw material producers**

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**Principles of Fair Labor and Responsible Sourcing**

**FLA Code of Conduct**

**ILO core labor standards**
Public Reporting

- Task and Risk mappings
- Farm level assessment reports and Executive Summaries
- Companies’ accreditation reports
- Special investigation reports

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CONSULTATION AND REMEDIATION
Stakeholder Engagement and Remediation

Company

Suppliers

Trust-Building
Co-creation
Co-operation

Community

CSO
NESTLE IN COTE D’IVOIRE
In 2010, *The Dark Side of Chocolate*, a documentary by Miki Misrati and Roberto Romano, unveiled the continued use of child and forced labor and trafficking in the cocoa fields [http://www.thedarksideofchocolate.org/](http://www.thedarksideofchocolate.org/)

Oxfam *Behind the Brands Campaign* targeting major food companies by evaluating their social and environmental policies and pushing for progress [https://www.oxfam.org/en/campaigns/behind-brands](https://www.oxfam.org/en/campaigns/behind-brands)

Class action lawsuits in California against Nestlé, Mars and Hershey for child trafficking and child labor
Nestlé’s commitment

• Launch of Nestlé Cocoa Plan (2009) to enable farmers to run profitable farms and improve social conditions in the cocoa supply chain

• Collaborate with partners and key stakeholders to work toward sustainable and holistic solutions

• Better understand supply chain and labor issues to find appropriate response

✧ In 2012: FLA conducted an extensive supply chain and labor risk mapping in the cocoa supply chain, which provided foundations to build a child labor monitoring and remediation system

Journey with Nestlé in Côte d’Ivoire

- Assessment (2011-12) of Nestlé’s cocoa supply chain
- Stakeholders Consultation in Abidjan in late 2012
- Strengthening Nestlé’s program and training and capacity building of supply chain actors
Journey with Nestlé in Côte d’Ivoire

- Development of Nestlé’s CLMRS in collaboration with International Cocoa Initiative (ICI)
- FLA’s External Independent Monitoring (2013 and 2014 harvest)
  (9 coops, 23 communities, 460 farms)
- Gender focused assessment
  (response to Oxfam campaign)
Journey with Nestlé in Côte d’Ivoire

Remediation and Innovative Solutions
(e.g. FLA Gender Dialogue project)

Public Reporting
(14 IEMs Reports published on FLA’s website and two focused assessments)

Impact Assessment
Gender Dialogue Project

- Baseline Social Impact Assessment (230 interviews in two communities)
- Gender Action Learning for Sustainability conducted (150-350 women, 10-15 men)
  - Fragmented social structures, gender Imbalance, lack of decision making
  - Role as workers, lack of dialogue, grievance mechanisms, access to farm inputs and PPE
  - Financial Independence
Results to date

- Persistent child labor and other labor issues but significant progress made
- Collaboration with and commitment from multiple stakeholders, including the government, other industry partners and CSOs
- Recognition of their efforts, the progress made and the collaborative approach
SYNGENTA IN INDIA
Minimum wage and loan issue in seeds supply chain

- *Wages of inequality* study reporting on gender wage discrimination and minimum wage violations in the seed production sector in India.

- DanWatch released documentary *Seeds of Debt* reporting on exploitative high-interest money lending schemes.

- FLA conducted a special investigation in Syngenta Indian supply chain.
Syngenta’s response to the investigation results

- Public action plan to address the issues highlighted in the investigation report
  - Reassess and strengthen contractual relationship with seed organizers
  - More training and capacity building of intermediaries
  - Better recording system for cash advances and payments
  - Review cost of production calculation
  - Ensure payment of minimum wage to hired workers
  - Stakeholder consultation and engagement for broader impact
FLA’s approach

- Find a balance between **safe space** and **accountability**
- **Report** on issues, challenges, progress and success
- **Collaborative** approach to **remediation**
- **Innovative solutions** to persistent supply chain issues
- **Engage** with industry partners, CSOs and other stakeholders
THANK YOU