



The Consumer Goods Forum: Responsible Operations & Sourcing

Amari Watergate Bangkok – 25th September 2017
Executive summary

The Responsible Operations & Sourcing Event was organised by The Consumer Goods Forum in partnership with [AIM-PROGRESS](#) and [ELEVATE](#). This event was attended by suppliers, and key business partners of The Consumer Goods Forum members. More than 200 participants attended the event.

Keynote speech

The conference was kicked off by Pascal Billaud, CEO, Central Food Retail Group. Pascal set the context of the conference by highlighting the magnitude of the social challenges that the world faces. In 2016, 40 million people were victims of modern slavery where for every 1,000 adults in the world, there were 5.9 adult victims and for every 1,000 children in the world, there were 4.4 child victims.

He introduced the objectives of the day's event:

- The **Purpose** is “Responsible businesses for a world free of forced labour”.
- The **Principles** are that every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work.
- The **Participation** is from participants attending the conference and more business partners in future.
- The **Organisations** to be involved are buyers, suppliers, business partners (and their workers), industry associations, governments, institutions and civil societies.

Session 1A: Introduction to The Consumer Goods Forum Social Resolution and its 3 Priority Industry Principles



The first session presented by Didier Bergeret, Social Sustainability Director, The Consumer Goods Forum, introduced The Consumer Goods Forum (CGF), its mission and work and specifically the [Priority Industry Principles](#). The three Priority Industry Principles were developed as part of the action plan to eradicate forced labour as a result of a commitment CGF members made in January 2016 known as the [Social Resolution on Forced Labour](#).

The three Priority Industry Principles are that:

1. Every worker should have freedom of movement
2. No worker should pay for a job
3. No worker should be indebted or coerced to work

Brian Chan, Human & Workplace Rights Director, The Coca-Cola Company, one of the Co-Chairs of the CGF's forced labour work presented an overview of the work of AIM-PROGRESS (the global forum of branded, fast moving consumer goods manufacturers (FMCG) and common suppliers promoting responsible sourcing). Brian also presented highlights of The Coca-Cola Company's responsible sourcing journey since 2002.

Sunil Jacob, Director, Responsible Sourcing, Walmart Stores Inc., another of the Co-Chairs of the CGF's forced labour focus introduced the CGF Social Sustainability Committee and its journey to fight forced labour. Sunil also briefly shared Walmart's efforts to promote responsible sourcing and responsible labour practices through multi-stakeholder collaborations.

Session 1B: Overview of regional challenges and issues from regional experts

The second session was moderated by Didier Bergeret, Social Sustainability Director, The Consumer Goods Forum and joined by Lara White, Senior Specialist, Labour Migration and Human Development, International Organization for Migration (IOM); Silvia Mera, Program Director, The Mekong Club and Archana Kotecha, Head of Legal, Liberty Asia. The session discussed local and regional challenges, common issues for implementing responsible operations and sourcing, the shifts in buyer expectations, regulatory changes and the move towards an ethical recruitment model with a focus on migrant workers. The panellists agreed that there are multiple challenges – but that there are common and collaborative approaches that can be taken by brands and suppliers together. The agreed starting point was to understand and map potential and actual risks within the business, develop policies to manage and action items from there. A challenge for the region was the nature of the workforce, and the high numbers of migrant workers, which have a unique set of challenges that goes along with that demographic.

Session 2: Case studies and moderated panel



This session was moderated by Kevin Franklin, Senior Vice President, ELEVATE and included Dr Darian McBain, Global Director of Sustainability, Thai Union; Alisa Luesukprasert, Director, Marine Gold; and Pitra Narendra, Manager Government Relations & Policy, Cargill. This session discussed each company's unique experience in addressing core drivers of forced labour. The key experiences shared with participants were:

- Companies should start with a risk assessment and then develop and implement policies first (e.g. zero fees for employment) and work with industry partners to enforce it
- Worker Engagement Programmes only works when actions are actually taken based on the suggestions and feedback from workers
- Forced labour related issues are rarely articulated directly from the supply chain constituents
- Companies need to collaborate to engage on a shared view with recruitment agencies to drive “zero fees” and ethical practices

- The decision to change for the better must be business-driven. Management needs to align ethical practices with internal sourcing practices

Workshop 1: Recruitment Practices

This interactive and practical workshop was facilitated by Suriya Yawichian, ELEVATE. Participants were equipped with key tools to apply in their own operations to address common issues arising during recruitment. This workshop focussed on the CGF Priority Industry Principle of “No worker should pay for a job”.

Participants were first introduced to the recruitment risks for workers which included receiving false job information (related to pay, working hours, role and work conditions), limited understanding of job requirements before signing the contract and the payment of excessive fees. Two critical elements were highlighted in relation to recruitment practices – labour broker/agent management and worker education.

Labour broker/agent management

Participants were asked to identify challenges faced when working with labour brokers and agents. Participants identified:

1. The challenge of having an oversight of brokers and agents due to multiple tiers and multiple geographic origins
2. Lack of clear or standardised process to screen labour brokers and agents
3. Lack of understanding on how to consistently and accurately evaluate the performance of labour brokers and agents
4. Challenge of monitoring labour brokers and agents on an ongoing basis
5. Challenge of ensuring that workers receive information timely

Through group discussions, the following solutions were identified:

1. Develop a clear screening process that includes a list of documents to review
2. Ensure a contract is signed with all labour brokers and agents which is in compliance with the Priority Industry Principles
3. Check that recruiters from labour brokers and agents are trained and qualified to conduct pre-departure training
4. Ensure that labour brokers and agents have written contract templates in local languages and to verify with embassies that the translations are accurate
5. Audit labour brokers and agents regularly
6. Survey or interview workers upon arrival
7. Establish migrant worker support centres to train and empower them to protect themselves (for example to be able to read and understand their contracts and payslips)

Worker education

Similarly, the challenges faced on educating workers include:

1. No clear instruction on the curriculum or process for conducting pre-departure training
2. Training is both resource and time-intensive (i.e. training will need to be developed and conducted in multiple languages by a qualified training)
3. Difficulty of setting the right tone, so as not to overwhelm workers, and regularly reviewing content.

The following solutions were identified:

1. Develop pre-departure training materials, which should at least include information about host country, workplace and living environment (e.g. working conditions, job description), contract terms and conditions, health and safety and grievance mechanisms.
2. Develop guidance on when and how best to conduct training (e.g. games/activities)
3. Set parameters of training implementation (e.g. training length, timeline, venue facility, maximum number of workers)

Workshop 2: Workplace Practices



This interactive and practical workshop was facilitated by Patrick McKeller, Vice President, Improvement Services, ELEVATE. This workshop expanded on the CGF Priority Industry Principle of “Every worker should have freedom of movement”.

Participants were introduced to the workplace risks which included passport retention, restriction of movement, wage deduction/delay, poor living conditions, lack of access to grievance channel and communication/language barrier. Four critical elements were highlighted in relation to recruitment practices – passport control, security control, internal grievance mechanisms and living conditions.

Passport control

Workers face the challenge of not knowing how to protect and keep their passports securely and hence not willing to keep their passports due to the fear of losing them. Participants have also highlighted additional challenges such as fake passports, retention of other valuable possessions such as jewellery and land deeds, difficulty in enforcing

company’s policies when working with recruitment intermediaries and the lack of safeguards when using online platforms that match workers with factories.

Solutions that were discussed included evaluating security risk of potential places for workers to keep passport and selecting the safest and most accessible location, training workers on their responsibilities and best practices for keeping passports, designing an emergency protocol that is easy to access for workers (e.g. list steps to take when a passport is lost on the back of worker badges), training Human Resource staff/worker representatives/supervisors on their responsibilities for implementing forced labour principles and providing internal communication channels for workers to voice concerns regarding passport retention.

Security control

Facilities may be used to enforce a curfew to manage the protection of people and property or have strict procedures and policies for entering/exiting the facility. Certain standard security practices (e.g. pat-downs/body search/bag search) may be in conflict with freedom of movement principles. Participants suggested that fair security control measures (policies and procedures) should be applied to all workers and staff in the company.

Internal grievance mechanisms

Challenges that suppliers may face include having a lack of existing channels for workers to speak up, workers speaking in a variety of languages, existing channels available to workers may not be effective, workers may not trust internal grievance mechanisms and having difficulty in measuring the effectiveness.

Solutions suggested during the workshop to have an effective internal grievance mechanism include establishing communication channels for workers to voice concerns (e.g. formal and informal, anonymous and direct), educating workers about existing grievance channels during recruitment process and reinforcing it through continuous training, setting clear protocol for case handling and categorisation, confidentiality and remediation and specifying KPIs to measure impact and effectiveness such as number of cases reported, frequency of repetitive cases, percentage of cases closed and evaluation of results from workers.



Closing session: Political perspective: tackling human trafficking and improving regional recruitment practices

Andrew Goledzinowski, Australian Ambassador for the Bali Process, Department of Foreign Affairs and Trade, Australia, presented the Bali Process Government and Business Forum (Forum) which is a business-government partnership to combat human trafficking, modern slavery, forced labour and other exploitation. Through this Forum, CEOs and business leaders will advise the government on how to prevent and combat human trafficking and related abuses, and share experiences on best practice. The Forum produced the Perth Work Plan which covers initiatives by the private sector and commitments toward ethical recruitment, supply chain transparency and the development of incentives for ethical business behaviour and safeguard and redress mechanisms. The Perth Work Plan will also include recommendations from companies on policy development and model legislative texts that may inform a harmonisation of legislation. The ambassador also shared the latest with respect to the Australian Modern Slavery Act which is still in development phase.

Closing session: Boosting social performance in Thai supply chains through partnerships between government and business

This session was moderated by Didier Bergeret, Social Sustainability Director, The Consumer Goods Forum and included the following two speakers: Mr. Duangarhit Nidhi-u-tai, Minister (Commercial) Head of Office, Office of Commercial Affairs, Royal Thai Embassy; Anisha Rajapakse, Senior Manager - Stakeholder Engagement, Foreign Trade Association (FTA). This session highlighted the partnership between FTA and the Ministry of Commerce in Thailand promoting responsible business behaviour of Thai enterprises in line with expectations of exporting markets. Mr. Duangarhit Nidhi-u-tai highlighted the importance of sending a strong signal to Thai companies about the need to look beyond product quality and price and implement ethical business standards and ensure social compliance of all suppliers. The partnership aims to reach beyond the Human Resource division to senior management to gain buy-in for the training of all tiers of suppliers. Thai companies committed to social compliance can [sign-up](#) for a series of training providing operational support which will take place in the coming months.

Summary and Closing

The day came to an end with closing remarks from Isabelle Aelvoet, Sustainability Director, Mars Petcare. Isabelle reiterated the CGF Priority Industry Principles. Isabelle ended with three points: We should always remember why we are doing this. Never forget that we do this for our people in the supply chain. No one should be deprived of dignity and humanity and we should all be treated with respect.