

CGF Human Rights Coalition – Working to End Forced Labour

CGF Response to KnowTheChain 2020
Food & Beverage Benchmark Findings Report

30th November 2020



The latest KnowTheChain (KTC) Food & Beverage Benchmark Findings report was released on 15th October 2020. This report marks the 3rd edition of such benchmark focusing on how the food and beverage sector fares in identifying, managing and remediating forced labour risks and cases. In this year's edition, 43 of the biggest food and beverage companies were analysed, 24 of which are CGF members, and at the date of analysis (14th September 2020), 10 featured in the benchmark were part of the CGF's newly formed Human Rights Coalition - Working to End Forced Labour (HRC).

In this year's edition, we were encouraged to see a chapter and analysis dedicated to the role of industry associations and multi-stakeholder initiatives in fighting forced labour and being driving forces in addressing this global scourge. As noted in the report,

“Forced labor is a systemic issue that requires all stakeholders to take action... engagement with peer companies can be a powerful driver for change as it can foster collaboration and learning, enable resource sharing, and increase leverage for improvement beyond a company's supply chains”.

And the results speak for themselves: the top five best performing companies in the benchmark are members of the HRC, and the average score of the 10 HRC member companies was 50/100, compared to an overall sector average of 28/100. Yet, when we move to the analysis and comparison of the industry initiatives and multi-stakeholder initiatives (MSIs) the results paint a different picture. The CGF scored 34/100 – a result which somewhat surprised us given the relative maturity and performance of our member companies in the benchmark. When we looked further into how industry initiatives such as the CGF have been analysed, we consequently believe our role and responsibility as an industry organisation has been misrepresented and today wish to correct the perceptions which have been presented in this report. Not only is it important for our role as an industry association to be understood, it is also critically important for our members, who participate in such platforms and shape our industry's collective actions to address forced labour. Below we set out our primary concerns and ways in which it may be more helpful to measure our industry's collective engagement on the issue of forced labour:

- **Governance and Stakeholder Representation:** The key component of this category is based on whether rightsholders form part of an initiative's governance structure. As an industry organisation made up of retailers and manufacturers of the consumer goods industry, this is not something the CGF and the HRC are designed for since they are platforms for peers to exchange, collaborate and drive industry action collectively. Yet stakeholder engagement forms the heart of our strategy and [CGF's way of working](#): all our roadmaps, open source documents, commitments and guidance go through rounds of external stakeholder consultation, including our current consultations on [two key frameworks](#). We regularly organise events, [roundtables](#) and dialogue with stakeholders which include rightsholders, union representatives, institutions, governments and NGOs since we recognise no one company or industry can tackle forced labour alone. In the past year, we invited Sharan Burrow, General Secretary of the International Trade Union Confederation, to speak at two dialogues with leaders of our industry, both in CEO Board discussions this year, and at our

[business and government leadership event in Vancouver, Canada](#) in June 2019. We therefore strongly encourage KnowTheChain to acknowledge and measure stakeholder engagement in a more inclusive manner in the next iteration of this benchmark, to recognise the multitude of ways stakeholder and rightsholders voices are being integrated into collective industry dialogue.

- **Standards:** The CGF developed our Priority Industry Principles to clearly address and target the core drivers of forced labour. In creating an initiative which is focused on one of the most severe and salient human rights issues within the industry, we took the collective decision to focus our efforts on where we could effect significant change. The HRC supports and upholds existing frameworks, including the UN Guiding Principles on Business and Human Rights. Whilst we do not have an explicit reference to the ILO core labour standards, this does not preclude our member companies from supporting and integrating them into their approaches. Another CGF initiative which works hand in hand with the HRC, the [Sustainable Supply Chain Initiative](#), has developed a set of criteria which benchmarks and recognises third-party social sustainability schemes, and these benchmarking criteria are inspired by and reference ILO Conventions, Declarations, Guiding Principles, General Principles; UNGP Business and Human Rights; and OECD Guidelines for Multinational Enterprises. We believe it is disingenuous to interpret the lack of explicit references to ILO core labor standards by an initiative focused on the core drivers of forced labour, to be *“undermin[ing] them by choosing weaker and/or vaguer standards”*. It is also telling that three out of four of the initiatives assessed by KTC do not explicitly reference the ILO Core Labor Standards – not because none of them support them, but simply because these are not relevant parameters to be assessing our initiative’s effectiveness in tackling forced labour.
- **Grievance Mechanisms:** This seemed a surprising criterion to measure our initiative’s value and points to a misunderstanding of what the CGF and the HRC are designed to do: primarily drive engagement, understanding, exchange, advocacy and collective action rather than trying to be a bit of everything. There are many excellent organisations that specialise in worker voice and grievance mechanisms for our industry, and in trying to do everything, we as organisations would risk achieving nothing. Each organisation has its own unique value, and in an industry where the multiplication of initiatives, standards and schemes is a common problem, there is no sense in all initiatives carrying out duplicative activities. This is why we have signed an Memorandum of Understanding with AIM-PROGRESS, and why we regularly collaborate with organisations such as the Leadership Group on Responsible Recruitment (LGRR) (convened by Institute for Human Rights and Business) and the Responsible Business Alliance (RBA) amongst others, on roundtables and governmental engagement to leverage those unique competencies, networks and knowledge of our respective organisations.
- **Comparing Pears and Apples:** This brings us onto our final point: we are not sure to which extent it is helpful to compare our respective initiatives when each offers varying value propositions and activities which cannot be easily quantified to provide objective comparisons. We acknowledge the motivation behind these comparisons since *“there is a*

risk that companies can hide behind their membership in initiatives, many of which do not include a worker-centric approach nor publicly assess members on their performance or hold members accountable for labor rights abuses that breach the initiative's standards". Yet we believe the way our initiative has been analysed does not provide an accurate portrayal of the business initiative landscape and can be detrimental to encouraging collective efforts.

Nonetheless, there are several key takeaways for us to reflect upon, notably around accountability mechanisms and transparency. Our Human Rights Coalition – Working to End Forced Labour, is still a relatively new initiative that builds upon the previous groundwork of the former CGF Social Sustainability Committee. What this means is that not all our accountability mechanisms for members are yet public, and data around the impact of our work is not yet available. Yet with the upcoming official launch of the HRC on the 10th December, and finalisation of our strategy and key frameworks, we will endeavour to integrate the recommendations from KnowTheChain, notably to regularly report on member performance and the impact and positive outcomes for workers.

As a next step, what we would hope for is more input into the criteria and parameters for the analysis of industry initiatives to provide a more representative analysis of the collective action of our industry. We commend KnowTheChain in drawing together this detailed work and recognise the value that it brings to our sector in driving focus, action and urgency around addressing forced labour. In the meantime, we wish to continue to be part of the dialogue in assessing industry efforts and continue to welcome input to improve our collective efforts in addressing forced labour.

Signed:



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