

CGF Human Rights Coalition – Working to End Forced Labour

Maturity Journey Framework for the Implementation of Forced-labour Focused HRDD Systems in Palm Oil Supply Chains: Version 1.0

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Human Rights
Ending Forced Labour

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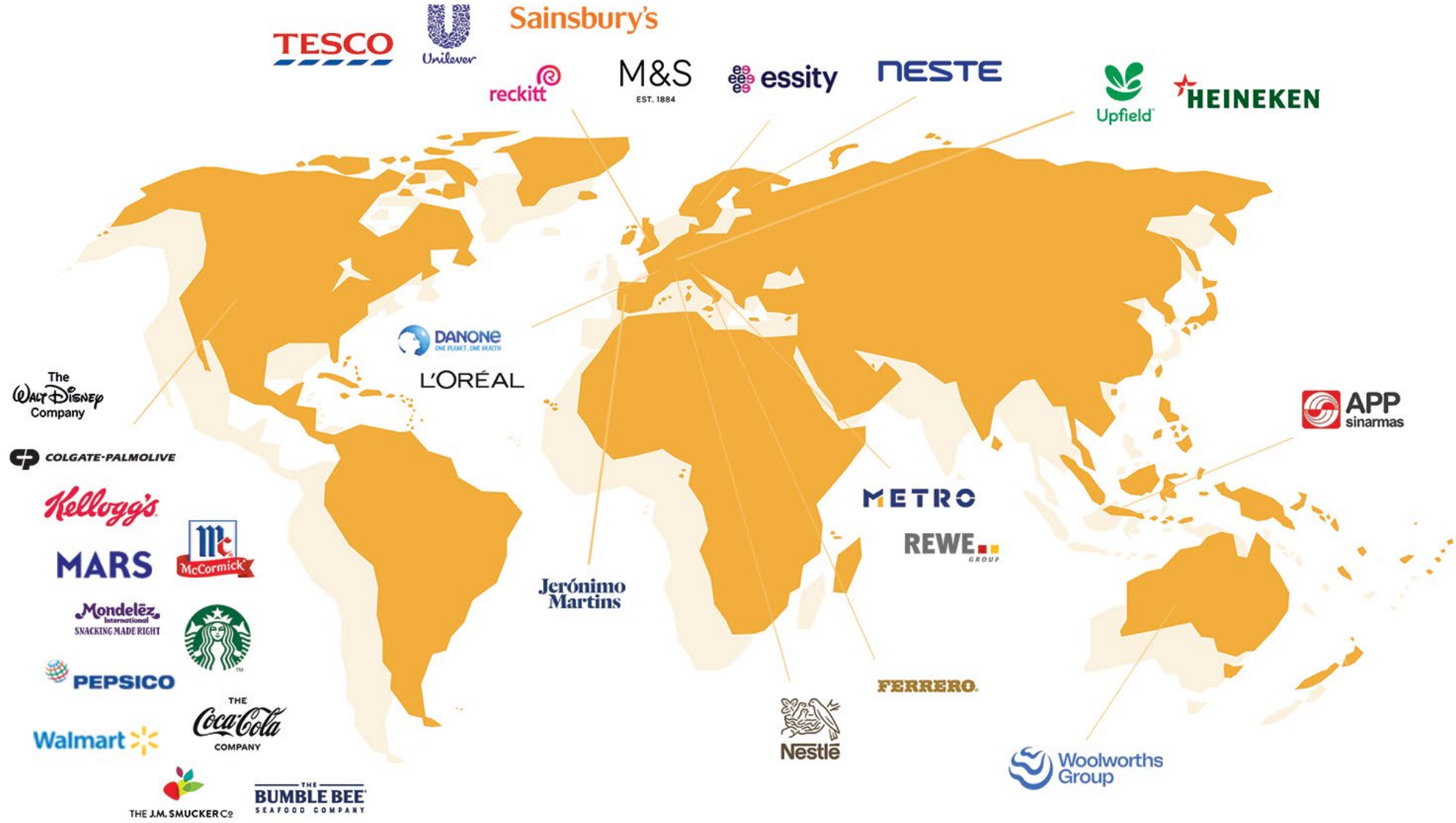
Section 1: About the CGF Human Rights Coalition – Working to End Forced Labour

About the CGF Human Rights Coalition – Working to End Forced Labour (HRC)



- ▶ Forced labour is an endemic social problem riddled throughout supply chains globally. 25 million individuals are victims of forced labour today. It is one of the most profitable global crimes and a problem of this magnitude cannot be solved by one person, company or industry acting alone.
- ▶ The Human Rights Coalition – Working to End Forced Labour is uniquely positioned to drive the social sustainability conversation forward and help implement actions that lead to positive impacts. CEO-led, we work to achieve decent working conditions across the consumer goods industry and worldwide. To help us accomplish this aim we have set voluntary industry commitments such as our resolution on the eradication of forced labour. We also developed the Priority Industry Principles which highlight the three key standards the industry must adopt to respect the rights of workers: that all workers should have freedom of movement, no one should have to pay for a job, and no one should be indebted or coerced to work.
- ▶ Today, our work is focused on advancing our Forced Labour Resolution and its Priority Industry Principles in alignment with the UN Guiding Principles on Business and Human Rights. We will drive individual and collective action in our businesses and supply chains to:
 - ▶ Implement Human Rights Due Diligence (HRDD) Systems
 - ▶ Support Responsible Recruitment markets
 - ▶ Support a focused movement with all relevant stakeholders to jointly expedite the elimination of forced labour
- ▶ To help ensure implementation across the Coalition, and in support of wider industry progress, we will harness the power of collective action as an industry group to identify and address issues and geographies of shared concern, enhancing the efficiency of any individual company initiatives in this area. In areas of shared concern, we will jointly develop specific action plans supporting the eradication of forced labour, in alignment with the widely embraced guidance provided by the UN Guiding Principles on Business and Human Rights.

Members



Partnerships



- ▶ The Human Rights Coalition – Working to End Forced Labour (HRC) works closely with the **CGF’s Sustainable Supply Chain Initiative (SSCI)** as the SSCI provides alignment and insights on the industry's expectations for social sustainability standards in managing their auditing/certification programmes.
- ▶ The HRC also works with the CGF’s **Forest Positive Coalition** to help ensure the the Forest Positive Coalition’s Theory of Change, Roadmaps and strategies are aligned with the CGF’s **Priority Industry Principles** against forced labour.





Section 2: Introduction to the HRDD Maturity Journey Framework for Palm Oil

Human Rights in the Palm Oil Sector



- ▶ Palm oil is one of the key commodities at the centre of the global forced labour problem. While the environmental impact related to palm oil has been on the industry’s radar for some time, human rights and forced labour abuses in the supply chain of the world’s most traded oil have long been ignored. In 2018, the CGF [commissioned a report by the Fair Labor Association](#) to look at the extent of this complex issue, as well as the role of the consumer goods industry in driving change and eradicating the problem. The report revealed many indicators of forced labour associated with the sourcing of palm oil, including debt bondage, passport retention, recruitment fees, and restricted worker movement — abuses all addressed by our Priority Industry Principles.
- ▶ The palm oil trade spans across the globe but there are regional hotspots where focused action must take place. In Southeast Asia, Malaysia and Indonesia are leading producers, together accounting for 86% of global production and employ as many as 3.5 million workers to maintain plantations and harvest the oil. Meanwhile, Colombia, South America’s largest palm oil producer, plans to increase its production six-fold by 2020. The CGF has hosted multi-stakeholder advocacy events in these countries and others to engage our members, suppliers and recruiters in a common dialogue on the issue.
- ▶ Due to the global prevalence of palm oil production, members of the HRC recognise the high potential for human rights abuses in their supply chains if they are purchasers of palm oil. As such, members are taking specific action around this commodity and are collaborating with other industry groups, including the CGF Forest Positive Coalition of Action, to improve the sustainability landscape in the sector.

People Positive Palm Project

- ▶ The HRC has launched the People Positive Palm Project to bring together the efforts of consumer goods companies and Malaysian palm oil suppliers to fight forced labour in the Malaysian palm oil sector.



Bringing Together Consumer Goods Companies and Palm Oil Suppliers



Together, we can transform the palm oil labour market in Malaysia.

Learn more about the People Positive Palm (P3) Project
#PeoplePositivePalm | www.tcgfsocial.com

Purpose of This Document

- ▶ This document aims to provide a program maturity journey to address forced labour through human rights due diligence in a palm oil suppliers' own operations. In line with the CGF Human Rights Coalition – Working to End Forced Labour's focus on forced labour, this journey places a deliberate emphasis on actions which aim to identify and address forced labour risks. In some instances, the steps outlined below may go beyond or be more specific than the guidance of the UN Guiding Principles.
- ▶ This document is designed to be a resource for actors in the palm oil sector working to address forced labour concerns and can be used to complement other frameworks and initiatives.
- ▶ This document also guides the collaboration between HRC members and Malaysian palm oil suppliers as part of the HRC's People Positive Palm Project.



Section 3: The HRDD Maturity Journey Framework for Palm Oil

HRDD Steps, Minimum Criteria, and Stages of Maturity

- ▶ In order to deliver its ambition, the HRC has established a three (3) stage maturity framework that will be equally applicable for HRC members to employ in their Own Operations and for palm oil suppliers to employ in their Own Operations. The intention is for HRC members' direct palm oil suppliers to employ the same HRDD Maturity Journey Framework in their Own Operations and in their extended supply chains. The following table aims to define a set of minimum criteria companies should strive to achieve at each of the three stages of maturity. These minimum criteria are cumulative from stage 1 ("Launched") to stage 3 ("Leadership), and companies will be assessed on what steps they have taken to fulfil each level as well as identifying any implementation gaps and their future plans to address them.
- ▶ The focus of the three stages of maturity also progresses further upstream with each stage: the 'Launched' stage is focused on direct labour in Own Operations; the 'Established' stage is focused on third-party labour in Own Operations; and the 'Leadership' stage is focused on labour in upstream supply chains. The different types of labour are defined below:
- ▶ Direct labour in Own Operations are the direct employees of the palm oil suppliers. These may include but are not limited to Workers working at:
 - ▶ Own Refineries and Mills (this concerns mostly Malaysian Workers)
 - ▶ Own Palm Estates (this concerns mostly foreign migrant Workers)
- ▶ Third-party labour (Contract Workers or outsourced services in Own Operations) concerns Workers who are employed by third parties and provide services in suppliers' Own Operations. These may include but are not limited to:
 - ▶ Local or migrant Workers working on a subcontracted basis– e.g., collection of FFB, transportation, chemical management, maintenance etc.
- ▶ Upstream supply chains include but are not limited to:
 - ▶ Extended supply chains of supplier dealers/traders and independent mills and their supply chains (and Workers working in the supply chain)
 - ▶ Extended supply chains of direct estates and smallholders farms (and Workers working in the supply chain)

The Maturity Levels

- 1. Launched:** Steps towards human rights due diligence addressing forced labour risks in own operations for direct labour¹ are in place and provide a foundation for future programme growth.
- 2. Established:** A functional human rights due diligence programme addressing forced labour risks for third-party labour in own operations² is in place and is actively being deployed.
- 3. Leadership:** A human rights due diligence programme for forced labour risks in upstream supply chains³ is in place for all locations and delivering outcomes for vulnerable Workers.

- 1. Direct Labour** is defined as all the Workers who are working in own operations (refineries, mills, estates, etc.) who are employees for the Company. These Workers could include migrant Workers working on a work permit and employment contract, local Workers working on a work permit and contract. These also include temporary Workers if the employment contract is directly with the Company.
- 2. Third-party Labour** is defined as all the Workers who are providing services to the Company (either on a temporary basis or for specific tasks). These Workers are not directly employed by the Company, but by a third party. These Workers work in the own facilities of the Company. These could include but are not limited to Workers doing cleaning, office maintenance, catering, warehousing, logistics, FFB transportation, chemical management etc.
- 3. Upstream supply chains** are defined as part of the supply chain that is not directly managed by the Company. These are suppliers of goods or services that feed into the Company's operations. These could include external mills, estates, dealers, small-holder farmers etc.

About the Table

- ▶ Whilst the steps below are numbered, this does not infer that this is the chronological order of the steps. HRDD is not a linear process; many of these steps must be taken in parallel, and the process is dynamic and self-reinforcing. Similarly steps from the various maturity phases can be clubbed together.

HRDD Step 1

HRDD Steps	Maturity Level 1 (Launched) (Direct Labour in Own Operations)	Maturity Level 2 (Established) <i>In Addition to Launched</i> (Third-Party Labour Through Contractors, Labour Agencies in Own Operations)	Maturity Level 3 (Leadership) <i>In Addition to Established</i> (Upstream Supply Chains Extending Back to the Smallholders)
1. Policy Commitment and Governance	<p>1. a. There is a publicly available commitment and Human Rights Policy against forced labour refers to the Priority Industry Principles (PIPs), UNGPs, or other internationally recognised instrument pertaining to forced labour risks</p> <p>1. b. Governance and management systems are developed to fulfil the commitment against forced labour for all types of Workers</p> <p>1. c. Governance and management systems start to be applied to the direct labour in own operations. With the system in place:</p> <ul style="list-style-type: none"> • communicate the commitment internally • train relevant staff on the forced labour commitment (e.g., human resources, production team, systems operators, Workers, etc.) • Establish an organisational chart with job descriptions clearly defining the roles and responsibilities of the management and implementation staff responsible for addressing risks associated with forced labour including at the time of recruitment and covering direct labour in Own Operations 	<p>1. a. The Board or equivalent has official responsibility for the monitoring of the Human Rights Policy</p> <p>1. b. Governance and management systems conducive of the commitment against forced labour expand to all third-party labour engaged by contractors, sub-contractors, or labour agencies for the performance of ongoing work in Own Operations</p> <p>1. c. With the system in place:</p> <ul style="list-style-type: none"> • communicate the commitment to the third parties • train relevant third parties (e.g., private recruitment agencies, contractors, service providers on forced labour and responsible recruitment • Have an organisational chart with job descriptions clearly defining the roles and responsibilities of the management and implementation staff responsible for addressing risks associated with forced labour including at the time of recruitment and covering contracted labour in Own Operations 	<p>1. b. Governance and management systems conducive of the commitment against forced labour expand to upstream supply chains, extending back to smallholders. With the system in place:</p> <ul style="list-style-type: none"> • establish a supply chain traceability mechanism • communicate the commitment to upstream supply chain partners • train relevant upstream supply chain partners (e.g., other estates, mills, dealers, smallholder farmers). • Have an organisational chart with job descriptions clearly defining the roles and responsibilities of the management and implementation staff responsible for addressing risks associated with forced labour in upstream supply chains

HRDD Step 2

HRDD Steps	Maturity Level 1 (Launched) (Direct Labour in Own Operations)	Maturity Level 2 (Established) <i>In Addition to Launched</i> (Third-Party Labour Through Contractors, Labour Agencies in Own Operations)	Maturity Level 3 (Leadership) <i>In Addition to Established</i> (Upstream Supply Chains Extending Back to the Smallholders)
<p>2. Assess Human Rights Potential and Actual Impacts</p>	<p>2. a. The internal HRDD management systems to manage forced labour risks in Own Operations and upstream supply chains is assessed to understand gaps. An Action Plan based is developed to address the gaps</p> <p>2. b. The forced labour risks and potential and actual human rights impacts for direct labour in Own Operations are identified. An Action Plan is developed to address those risks. Assessments are regularly conducted. At a minimum, assessments must identify potential risks related to forced labour (including passport retention, recruitment fees, any form of coercion)</p>	<p>2. a. Assist the third parties in undertaking their Internal Management Systems HRDD Gap Analysis and Build a Road Map 2025 (Action Plan) based on the identified Gaps: Supplier can use lessons learnt from their own IMS HRDD gap analysis to guild the third parties. Assist the third parties in building</p> <p>2. b. The forced labour risks and potential and actual human rights impacts for third-party labour in Own Operations are identified. An Action Plan is developed to address those risks. Assessments are regularly conducted. At a minimum, assessments must identify potential risks related to forced labour (including passport retention, recruitment fees, any form of coercion)</p>	<p>2. a. Assist upstream suppliers in undertaking an Internal Management Systems HRDD Gap Analysis and Build a Road Map 2030 (Action Plan) based on the identified Gaps: Project Supplier can use lessons learnt from their own IMS HRDD and third-party gap analysis to guild the third parties. Assist the upstream suppliers in building</p> <p>2. b. The forced labour risks and potential and actual human rights impacts in upstream supply chains are identified. An Action Plan is developed to address those risks. Assessments are regularly conducted. At a minimum, assessments must identify potential risks related to forced labour (including passport retention, recruitment fees, any form of coercion)</p>

HRDD Step 3

HRDD Steps	Maturity Level 1 (Launched) (Direct Labour in Own Operations)	Maturity Level 2 (Established) <i>In Addition to Launched</i> (Third-Party Labour Through Contractors, Labour Agencies in Own Operations)	Maturity Level 3 (Leadership) <i>In Addition to Established</i> (Upstream Supply Chains Extending Back to the Smallholders)
3. Integrate and Act in Order to Prevent and Mitigate	3. a. Immediate steps are taken to address the critical forced labour indicators identified for the palm oil sector in Malaysia for direct labour in own operations.	3. a. Immediate steps are taken to address the critical forced labour indicators identified for the palm oil sector in Malaysia for third-party labour in own operations.	3. a. Establish systems in upstream supply chains so that grievances can be handled at the place of origin. As a safety net, the Company's grievance mechanism (or one of a local partner) is extended in the upstream supply chain.
	3. b. A grievance mechanism that is guided by the UNGPs, for direct labour is developed and implemented.	3. B. Grievance mechanisms are extended to third-party labour working regularly on own sites either through their own or the contractors', sub-contractors' or labour agencies' mechanism(s).	3. b. As identified through the assessment processes and established grievance mechanisms, necessary actions are taken, with relevant upstream suppliers, for them to mitigate forced labour risks to their Workers.
	3. c. Communication of remedy to Workers, and an acceptance protocol whereby the complainant can reject or accept the proposed remedy.	3. c As identified through the assessment processes and established grievance mechanisms, necessary actions are taken, with relevant contractors, sub-contractors, or labour agencies for them to mitigate forced labour risks relating to third party labour working regularly on own operations.	3. 3.c While the upstream suppliers' Workers' direct employer is tasked with the remediation, for specific urgent cases, a protocol of escalation can be considered to ensure that high-risk issues are spotted, addressed rapidly, and that accountability mechanisms are set in place.
	3. D. Steps are taken to mitigate forced labour issues relating to direct labour identified through the assessment processes and grievance mechanisms, including through training and education.	3. d While the third-party Worker's direct employer is tasked with the remediation, for specific urgent cases, a protocol of escalation can be considered to ensure that high-risk issues are spotted, addressed rapidly and that accountability mechanisms are set in place.	

HRDD Step 4

HRDD Steps	Maturity Level 1 (Launched) (Direct Labour in Own Operations)	Maturity Level 2 (Established) <i>In Addition to Launched</i> (Third-Party Labour Through Contractors, Labour Agencies in Own Operations)	Maturity Level 3 (Leadership) <i>In Addition to Established</i> (Upstream Supply Chains Extending Back to the Smallholders)
<p>4. Track the Effectiveness of Responses</p>	<p>4. Outcomes relating to forced labour risks are monitored and impact tracked over time for direct labour in own operations: For e.g.,</p> <ul style="list-style-type: none"> • Improvement in the compliance status of the issues identified • action plan implementation (most actions in progress or completed) • number of grievances addressed, and feedback solicited from Workers on satisfaction • reduction in excessive hours of work • Workers not requiring multiple permission to go out of the workplace • Workers reporting free access to their documents • reduction in recruitment fees paid by Workers, if any, • Etc. 	<p>4. Outcomes relating to forced labour risks are monitored and impact tracked over time for third party labour in own operations: For e.g.</p> <ul style="list-style-type: none"> • Improvement in the compliance status of the issues identified • action plan implementation (most actions in progress or completed) • number of grievances addressed, and feedback solicited from Workers on satisfaction • reduction in excessive hours of work • Workers not requiring multiple permission to go out of the workplace • Workers reporting free access to their documents • reduction in recruitment fees paid by Workers, if any, • Etc. 	<p>4. Outcomes relating to forced labour risks are monitored and impact tracked over time for workers in the upstream supply chain: For e.g.</p> <ul style="list-style-type: none"> • Improvement in the compliance status of the issues identified • action plan implementation (most actions in progress or completed) • number of grievances addressed, and feedback solicited from Workers on satisfaction • reduction in excessive hours of work • Workers not requiring multiple permission to go out of the workplace • Workers reporting free access to their documents • reduction in recruitment fees paid by Workers, if any, • Etc.

HRDD Step 5-6

HRDD Steps	Maturity Level 1 (Launched) (Direct Labour in Own Operations)	Maturity Level 2 (Established) <i>In Addition to Launched</i> (Third-Party Labour Through Contractors, Labour Agencies in Own Operations)	Maturity Level 3 (Leadership) <i>In Addition to Established</i> (Upstream Supply Chains Extending Back to the Smallholders)
5. Report	5. Company publishes their progress and findings publicly	5. Company publishes their progress and findings publicly	5. Company publishes their progress and findings publicly
6. Remedy	6. Effective remediation measures for forced labour impacts are being explored, including through collaborative actions. Remediation processes are in place for addressing forced labour for direct labour.	6. Necessary actions are taken, with relevant suppliers, on a risk basis, to enable them to address forced labour relating to labour working in upstream supply chains.	6. Necessary actions are taken, with relevant suppliers, on a risk basis, to enable them to address forced labour relating to labour working in upstream supply chains.



Annex

Annex 1: CGF Priority Industry Principles Correspondence with International Frameworks

ILO Indicators of Forced Labour	CGF Priority Industry Principle Coverage
Abuse of vulnerability	PIP #1, #2, #3
Deception	PIP #3
Restriction of movement	PIP #2
Isolation	PIP #1
Physical and sexual violence	PIP #2
Intimidation and threats	PIP #2
Retention of identity documents	PIP #2
Withholding of wages	PIP #3
Debt bondage	PIP #1, #3
Abusive working and living conditions	PIP #3
Excessive overtime	PIP #3

Dhaka Principles for Migration with Dignity	CGF Priority Industry Principle Coverage
No fees are charged to migrant workers	PIP #2
All migrant worker contracts are clear and transparent	PIP #3
Policies and procedures are inclusive	PIP #3
No migrant workers' passports or identity documents are retained	PIP #1
Wages are paid regularly, directly and on time	PIP #3
The right to worker representation is respected	
Working conditions are safe and decent	
Living conditions are safe and decent	
Access to remedy is provided	
Freedom to change employment is respected, safe return guaranteed	



Contact the
Coalition

Learn more about our work to eradicate forced labour from consumer goods supply chains worldwide.



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CGF Social and Environmental Sustainability