People Positive Palm LEARNING SERIES SUMMARIES





INTRODUCTION

The <u>People Positive Palm (P3)</u> Project, hosted by <u>The Consumer Goods Forum's (CGF) Human Rights Coalition (HRC)</u>, is transforming Malaysian palm oil supply chains by combining the efforts of businesses, suppliers, governments, and civil society to enable respect for human rights across the sector. By working together, HRC members, their suppliers, and other actors are addressing the systemic drivers of negative human rights impacts in the sector – notably forced labour – through a sustainable, collaborative approach.

The project was launched in 2022 and plans to run through until 31 March 2026 with implementation support from the <u>Fair Labor Association (FLA)</u> and the UN <u>International Organization for Migration (IOM)</u>. Its mission is three-fold:

- Facilitate collective action on the issue of forced labour among stakeholders;
- Encourage the improvement of suppliers' capacity for due diligence in their supply chains; and
- Leverage the collective voice of brands, retailers, and suppliers to advocate for stronger policy frameworks to protect Workers.

To achieve these goals, the project has three areas of action: learning, engagement and collective advocacy. Through the 'learning' track, the project seeks to build and share knowledge of forced labour risks along with practical solutions about how to address them through a series of no-cost, collaborative workshops.

This Learning Series is open to HRC members, participating palm suppliers, and other stakeholders, with the events held in Kuala Lumpur in Bahasa Malaysia and English. The summaries of these workshops are provided in this document.

Palm oil companies and other organisations working in Malaysia who are interested in participating in the Learning Series are invited to contact us via email to social@theconsumergoodsforum.com and go online to iom.int or tcgfsocial.com find out more.





WORKSHOP 1: INTRODUCING HUMAN RIGHTS DUE DILIGENCE

Tuesday 14 March 2023, Kuala Lumpur

Attendees

65 organisations, including 35 palm oil companies

Speakers

- ▶ Didier Bergeret, Director of Sustainability, The Consumer Goods Forum (CGF)
- Ruby Ramos, APAC Human Rights Manager, Neste
- YAB Dato' Sri Haji Fadillah Yusof, Deputy Prime Minister of Malaysia, and Minister of Plantation and Commodities
- Natasha Mahendran, Sustainable Sourcing Manager for Southeast Asia, Mars, Inc.
- Nishanthini Terumalai, Project Manager, Fair Labor Association (FLA)
- Joanne Chua, National Programme Officer, International Organization for Migration (IOM)
- Lara White, Senior Programme Advisor, IOM

Sessions

- 1. Understanding Human Rights Due Diligence
- 2. Understanding Mandatory Human Rights Due Diligence
- 3. Practical Tips for Complying with Mandatory Human Rights Due Diligence

The first Learning Series workshop commenced with welcoming remarks from CGF Director of Sustainability, Didier Bergeret, who introduced the P3 Project alongside Ruby Ramos, APAC Human Rights Manager, of Neste, one of the HRC members. Both Didier and Ruby then introduced YAB Dato' Sri Haji Fadillah Yusof, Deputy Prime Minister of Malaysia and Minister of Plantation and Commodities. Deputy Prime Minister Yusof shared an opening statement welcoming the project. He shared that while the Malaysian palm oil sector has been under scrutiny for many years due to sustainability concerns, companies have since initiated important progress on human rights, making Malaysia an opportune environment to develop and implement innovative sustainability initiatives. As a result, he welcomed the P3 Project and its goal to advance human rights due diligence as a key means for ensuring responsible business practices.

With Malaysia as one of the world's largest producer of palm oil, home to thousands of domestic and migrant Workers, he explained that due diligence can be an important tool Malaysian businesses can use to make the sector's labour market more sustainable and resilient. In adopting the *people positive* approach – encompassing all Workers, including migrants and smallholders – and its support for Worker wellbeing, companies in Malaysia can set an example for the world on how to respect human rights in the supply chain. He concluded by congratulating the collaborative nature of the project, which brings together consumer goods companies, suppliers, governments, the United Nations and civil society organisations, as this collective action will be key for achieving transformational change.

Natasha Mahendran, Sustainable Sourcing Manager for Southeast Asia, Mars, Inc., then joined to share a corporate perspective on human rights commitments.



Session 1: Understanding Human Rights Due Diligence

In the first educational session of the day, participants were introduced to the concept of human rights due diligence (HRDD) by Nishanthini Terumalai, Project Manager, FLA. Humans are an integral aspect of any business model: they both provide labour in the value chain and purchase products. Companies therefore need to be aware of how our business operations can affect Workers' wellbeing. Sometimes, these effects can be negative; as a result, businesses have a responsibility to both recognise and address adverse human rights impacts that can and do exist in their operations and upstream supply chains. The UN Guiding Principles of Business and Human Rights (UNGPs) outline this responsibility to respect human rights and, to do so, direct businesses to conduct human rights due diligence. HRDD is an effective tool for identifying, addressing, and preventing human rights risks in business operations. The UNGPs outline the scope of businesses' due diligence should cover:

- Workers in their value chain (both direct and indirect employees);
- Communities affected by the business; and
- Consumers.

The session therefore presented to participants the <u>six steps of due diligence</u>. It also explained the importance and benefits of adopting a strong due diligence approach, including:

- HRDD as a risk management tool: HRDD helps organisations understand where Workers are at a higher risk for negative human rights impacts. For example, HRDD has helped businesses understand that Workers in the Malaysian palm sector are at a high-risk for forced labour, which has influenced action including the launch of the People Positive Palm Project. HRDD also helps businesses manage risks by outlining steps to address existing concerns and prevent potential ones.
- HRDD as a driver of positive impact: By employing HRDD in businesses' own operations, supply chains, and third-party partner organisations such as private recruitment agencies businesses can ensure Workers are recruited and employed fairly. As a result, they can contribute positively to society by supporting the Worker wellbeing and protect their own organisations from legal and reputational risks associated with negative human rights impacts
- ► HRDD as a business requirement: HRDD is increasingly becoming a required business practice thanks to mandatory HRDD legislation (mHRDD), stakeholder demands, and buyer/investor requirements. Businesses that take action now to implement HRDD systems are therefore better equipped to comply with regulatory or supply chain requirements.

Additionally, the session explained how businesses' responsibility to conduct due diligence and respect human rights compliments the efforts of other actors, notably governments. While businesses have a responsibility to respect human rights, the UNGPs outline States' responsibility to protect them. Participants were provided several examples of this responsibility put into action, including the Malaysian National Action Plan on Forced Labour (NAPFL), the upcoming National Action Plan on Business and Human Rights, and other national labour laws. The session explained how these efforts can enable, compliment, and accelerate businesses' due diligence efforts.

Finally, the session explained the third tenet of the UNGPs, which stipulates that businesses, governments, and other actors such as civil society organisations should work together to provide Workers access to remedy in the event their rights have been violated. Together, they should ensure



mechanisms are in place in order for Workers to easily air grievances and have their concerns remediated directly.

Session 2: Understanding Mandatory Human Rights Due Diligence

The second session took a deep dive into the topic of mandatory HRDD legislation (mHRDD) with Joanne Chua, National Programme Officer, International Organization for Migration (IOM). Since the launch of the UNGPs in 2011, many businesses have voluntarily adopted the responsibility outlined in the UNGPS to respect human rights and conduct due diligence. However, this responsibility is becoming increasingly mandatory as states develop regulations requiring businesses to demonstrate robust due diligence practices. The session explained some practical implications and requirements of these global developments, including the upcoming European Union mHREDD, for participants.



Session 3: Practical Tips for Complying with Mandatory Human Rights Due Diligence

Following the session introducing the concept of mHRDD, the final session focused on providing participants with information on how to comply with and respond to regulations. Looking at the six-step approach to HRDD, Nishanthini offered practical examples of ways businesses can take action. Attendees participated in a self-assessment exercise to understand if and how their organisations are already in compliance with example mHRDD requirements. Afterwards, moving through each due diligence step, participants were then provided practical examples of how to start or improve their approach. The workshop then concluded with a practical Q & A session featuring Didier, Nishanthini, and Lara White, Senior Programme Advisor, IOM.



WORKSHOP 2: UNDERSTANDING, PREVENTING AND ADDRESSING WORKERPAID FEES

Wednesday 17 May 2023, Kuala Lumpur

Attendees

The workshop witnessed active participation from a diverse group of stakeholders, with a total of 50 participants representing various entities within the palm and retail industry. These participants included 13 palm suppliers, four suppliers of Woolworths (a prominent retail company), and representatives from esteemed organisations such as the Ministry of Plantation and Commodities, the Roundtable on Sustainable Palm Oil (RSPO), and other Civil Society Organizations (CSOs).

The inclusion of 13 palm suppliers underscored the significance of their engagement in understanding and improving worker employment practices within the industry. By bringing together suppliers from different backgrounds, the workshop fostered an environment of collaboration and knowledge sharing, allowing participants to gain insights from one another's experiences and perspectives. The presence of palm suppliers ensured that a wide range of practices and challenges in the employment journey were represented, enabling a comprehensive discussion and exploration of potential solutions.

Additionally, the participation of four suppliers of Woolworths added a retail industry perspective to the workshop. As a major player in the retail sector, Woolworths' involvement highlighted the importance of responsible sourcing and ethical employment practices throughout the supply chain. The presence of Woolworths suppliers provided a unique opportunity to align the perspectives of both palm suppliers and retail representatives, facilitating a more holistic understanding of the challenges faced and potential solutions required at each stage of the worker employment journey.

Speakers

- Opening remarks: Phoebe Ewan, Human Rights Manager, Woolworths
- Trainer: Nishanthini Terumalai, Project Manager, Fair Labor Association

Sessions

- 1. Understanding the Worker Employment Journey
- 2. Repayment of Recruitment Fees
- 3. Calculation Method
- 4. Addressing Challenges and Q&A Session



Introduction

Recruitment fees are a common practice borne by the employer in the hiring process, where employers engage the services of recruitment agencies to find suitable candidates for their organisation. However, the issue of recruitment fees and repayment obligations has raised concerns in recent times due to potential ethical, legal, and financial implications, especially where workers have paid recruitment fees.

The workshop focused on understanding the worker employment journey, including job advertisement, recruitment, employment, and departure. The workshop also delved into the normal recruitment costs associated with hiring foreign migrant workers. Additionally, a significant portion of the session was dedicated to addressing the repayment of recruitment fees, with the utilisation of the AIM-progress repayment tool as a guideline. The workshop aimed to equip companies with knowledge and strategies to navigate these complex aspects of worker employment while also addressing challenges related to corruption and bribery in fee payments.

Session 1: Understanding the Worker Employment Journey

The workshop commenced by exploring the various stages of the worker employment journey. Participants gained valuable insights into the job advertisement process, understanding how to effectively attract and engage potential workers. Recruitment practices were thoroughly examined, shedding light on the costs typically incurred when companies hire foreign migrant workers. This understanding provided a foundation for comprehending the challenges associated with recruitment expenditures and their impact on both employers and workers.

Session 2: Repayment of Recruitment Fees

A significant portion of the workshop was dedicated to discussing the repayment of recruitment fees. The workshop introduced the Aim-progress repayment tool, which served as a comprehensive guideline for companies to navigate this process. Participants were presented with the seven-step approach outlined in the tool, which detailed the necessary considerations and actions to ensure transparent and fair repayment practices.

Session 3: Calculation Method

To enhance participants' understanding, the workshop briefly addressed the calculation method employed by the Aim-progress repayment tool. This information helped companies grasp the principles and factors involved in accurately determining the repayment amounts owed to workers. By familiarising themselves with the calculation method, companies could ensure that they approached fee repayment in a fair and equitable manner.



Session 4: Addressing Challenges and Q&A

The workshop concluded with an intense question and answer session, where companies had the opportunity to discuss the challenges they face when it comes to the repayment of worker-paid fees. Notably, the discussions focused on addressing corruption and bribery issues, including instances involving government officials. Participants shared their experiences, concerns, and strategies for navigating such challenging situations.

Conclusion

In summary, the workshop provided valuable insights into the worker employment journey, recruitment costs, and the repayment of recruitment fees. Attendees gained a comprehensive understanding of the steps involved in attracting and hiring workers, as well as the associated financial implications. The Aim-progress repayment tool served as a practical resource, guiding companies through the process of fair and transparent fee repayment. By fostering open dialogue and addressing challenges related to corruption and bribery, the workshop empowered participants to navigate these complex issues more effectively, together. Ultimately, the workshop aimed to improve employment practices and ensure the well-being of both employers and workers within the context of fee repayment.





WORKSHOP 3: EMPOWERING THE FRONTLINE: WORKER INCLUSION IN EFFECTIVE RISK ASSESSMENTS

Thursday 27 July - Friday 28 July 2023, Kuala Lumpur Monday 31 July - Tuesday 1 August 2023, Sandakan

Attendees

60 representatives from the palm oil industry namely suppliers, producers, traders, and related civil society organisations (CSOs).

Speakers

- Dr Andika Wahab (FLA Assessor)
- Badri Gulur, Director, Social Accountability Initiative

Sessions

- 1. Introduction to Programmes, the Concepts of Social Compliance System and HRDD
- 2. Understanding "Worker Voice"
- 3. Understanding "Risk" and "Risk Assessments"
- 4. Assessment Preparation
- 5. Risk Assessment (on-site)
- 6. Worker inclusion in risk assessments
- 7. Use of Social Performance Teams
- 8. Reporting, Development of Action Plan (Remediation) & Continuous Improvement

Introduction

The P3 project, in collaboration with the MyVoice project, hosted a comprehensive workshop aimed at educating companies on conducting worker-centred risk assessments. This initiative, a part of our ongoing commitment to corporate social responsibility and ethical business practices, brought together experts from the MY Voice and P3 teams to guide participants through a series of informative sessions.

The workshop was designed to address the growing concerns around labour rights and human rights compliance in the workplace. With a diverse group of attendees, including HR professionals, compliance officers, and management representatives from various industries, the workshop aimed to provide actionable insights and practical skills for implementing effective risk assessment strategies.

The central focus of this workshop was to empower participants with the knowledge and tools necessary to conduct risk assessments that not only comply with legal standards but also place a strong emphasis on the perspectives and rights of workers. This approach aligns with the increasing global emphasis on Human Rights Due Diligence (HRDD) and Social Compliance Systems, ensuring that companies are not just compliant but are also actively fostering a safe and respectful working environment.

Through a blend of theoretical introductions, practical exercises, and interactive sessions, the workshop covered a range of topics. These included understanding the concept of 'Worker Voice', comprehensively identifying and evaluating risks, preparing for and conducting on-site risk assessments, and the crucial role of Social Performance Teams. The workshop also delved into the



post-assessment phase, emphasising the importance of reporting, developing action plans for remediation, and strategies for continuous improvement.

Session 1: Introduction to Programmes, the Concepts of Social Compliance System and HRDD

The workshop commenced with an overview of the MY Voice and P3 programmes, aligning their goals with the workshop's focus on labour and human rights. It clearly outlined the workshop's objectives, aiming to enhance participants' understanding and application of worker-centred risk assessments. Participants were then introduced to key concepts of Social Compliance Systems and Human Rights Due Diligence (HRDD), underscoring their importance in ensuring ethical workplace practices and protecting workers' rights. This foundational knowledge aimed to guide participants in their approach to risk assessments.

Session 2: Understanding "Worker Voice"

This session focused on the concept of "Worker Voice," highlighting the importance of incorporating workers' perspectives and experiences in identifying and addressing workplace risks. It emphasised active listening and engagement strategies to ensure that risk assessments are truly reflective of workers' concerns and needs.

Session 3: Understanding "Risk" and "Risk Assessments"

Participants were introduced to various aspects of workplace risk, particularly in the context of labour and human rights. The session outlined methodologies for conducting effective risk assessments, emphasising the need for a comprehensive and inclusive approach.

Session 4: Assessment Preparation

Here, the workshop focused on preparing for risk assessments. It covered practical steps and considerations for planning and executing assessments, emphasising the importance of a worker-centred approach in every phase of the process.

Session 5: Risk Assessment (on-site)

In this session, participants are walked through the practical steps to take when they are actually on the field, for the assessment. This session covers the how's of conducting worker interviews, child interviews and the ethical considerations.



Session 6: Worker Inclusion in Risk Assessments

This session delved into strategies for effectively including workers in the risk assessment process. It explored how to ensure that workers' insights are not only heard but also acted upon, thereby enhancing the relevance and impact of risk assessments.

Session 7: Use of Social Performance Teams

The role of Social Performance Teams in facilitating worker participation and improving risk assessment outcomes was the focus of this session. It highlighted how these teams can serve as a bridge between management and workers, ensuring that assessments are both comprehensive and representative.

Session 8: Reporting, Development of Action Plan (Remediation) & Continuous Improvement

The final session covered the steps post-risk assessment, including reporting findings, developing remediation plans, and implementing strategies for continuous improvement. This session emphasised the importance of turning assessment outcomes into actionable and sustainable practices for safeguarding labour and human rights in the workplace.

These sessions collectively aimed to equip participants with the knowledge and skills necessary to conduct effective, worker-centred risk assessments, with a specific focus on labour and human rights, thus promoting safer and more ethical workplace environments.

Conclusion

These sessions collectively aimed to equip participants with the knowledge and skills necessary to conduct effective, worker-centred risk assessments, with a specific focus on labour and human rights, thus promoting safer and more ethical workplace environments.







WORKSHOP 5: ACCESS TO REMEDY AND GRIEVANCE MECHANISMS

Wednesday 25 October 2023, Kuala Lumpur

Attendees

20 participants from nine palm oil suppliers, the Roundtable on Sustainable Palm Oil (RSPO), representatives of the MY VOICE project team, and the Ministry of Plantation and Commodities.

Speakers

- Ms Archana Kotecha, CEO and Founder, <u>The Remedy Project</u> (TRP)
- Ms Purnima Limbu, National Officer, International Organization for Migration (IOM)

Sessions

- 1. Understanding Remedy
- 2. Operational Grievance Mechanisms
- 3. Gender and Child Labour Issues in the Supply Chain
- 4. Crafting a Robust Corrective Action Plan
- 5. Interactive Session and Q&A
- 6. Wrap up and Closing

Session 1: Understanding Remedy

The session started with a presentation of the definition and key principles on Remedy according to the United Nations Guiding Principles on Business and Human Rights. This was then contextualized to the palm oil sector with the presentation of remedy within the context of the RSPO Principles and Criteria and specific challenges in providing remedy in the palm oil sector in Malaysia. The focus of the session was to present how remediation should be a vital part of a company's risk management system and its Human Rights Due Diligence policies and procedures (HRDD). While this was generally understood, it is worth noting that participants' understanding of HRDD is still nascent. Most participants had not previously received any capacity building support on HRDD. Participants were particularly interested to learn about the shifting of the international ecosystem towards stronger HRDD requirements, and how regulations – including the upcoming EU Corporate Sustainability Due Diligence Directive, will impact supply chains in Asia, including palm oil. Examples of Withhold Release Orders (WROs) under the U.S. Tariff Act were presented, and followed by a discussion on the link between repayment of recruitment fees and remedy. Copies of the CGF-AIM Progress Guidance of Worker-paid Recruitment Fees and Other Related Costs were distributed.

Session 2: Operational Grievance Mechanisms

This session started by situating Operational Grievance Mechanisms (OGMs) as part of the wider ecosystem of remedy, introducing participants to state-based grievance mechanisms and highlighting the importance of referral pathways among actors, particularly in cases that cannot be dealt by businesses, such as those with elements of criminality. The session then unpacked the Operational Guidelines for Businesses on Remediation of Migrant Worker Grievances and the seven steps to build an effective OGM, with a practical discussion on what steps companies that already have OGMs in place can implement to improve them. The session also did a deep dive on the effectiveness criteria (Principle 31 of the UNGPs) and how these criteria can be used to continually



develop existing OGMs. Based on the feedback received, participants indicated that this was the most relevant and appreciated session of the training.

Session 3: Gender and Child Labour Issues in the Supply Chain

In this session, participants were invited to share reflections on OGMs limitations in addressing gender related and child labour issues. The exchange centred on the importance of ensuring participation of rights holders including affected women, women's organizations, women human rights defenders, and gender experts. Participants also discussed the complexities of child labour, particularly how it manifests in southeast Asia and how age limits and work conditions differ significantly based on the socio-economic status and tolerability of the issue in the region.

Session 4: Crafting a Robust Corrective Action Plan & Session 5: Interactive Session

After Session 2 on Operational Grievance Mechanisms, Sessions 1 and 4 were the most appreciated by participants, as reported in the post-training assessment. In this practical session, participants were given a case study relating to the palm oil sector in Malaysia and tasked to develop a Corrective Action Plan (CAP) to be presented in the plenary. The CAPs presented included elements on the immediate response to the grievance; investigation; stakeholder engagement; long-term measures; monitor and review. The practical CAP exercise was also relevant to highlight how effective CAPs must inform system change.

Session 6: Wrap up and Closing

Seventeen participants responded to the post-training assessment. Responses show a significant increase in knowledge, with 15 participants reporting that after the training they felt knowledgeable (12)/very knowledgeable (3), compared to a total of 5 participants only in the pre-test, where the majority ranked their starting knowledge neutral (6), little (5), and very little (1).

The top three sessions identified by participants in the post-training assessment as most relevant for their work were the sessions on the *Operational Grievance Mechanisms* (selected by all respondents), followed by *Sessions 1: Understanding Remedy* and *Session 4: Crafting a Corrective Action Plan* (14 respondents each).

Feedback received showed appreciation for the training, and request for more future trainings. Importantly, three new suppliers expressed interest in one-on-one engagement, in addition to the two already on board.

