

CGF Human Rights Coalition | Working to end Forced Labour (HRC)

Short Overview

October 2020



Human Rights
Ending Forced Labour

The Consumer Goods Forum

- ▶ CEO-led, the CGF is the **only organisation** bringing together consumer goods **retailers, manufacturers** and **service providers** globally;
- ▶ The CGF fosters **collaborative** engagement across the industry and inspires **action** on common, **pre-competitive** issues;
- ▶ The CGF works to promote **sustainable business growth, industry efficiencies** and drive **positive change**, benefiting people and the planet and creating shared business value;
- ▶ In doing so, we are working as one to **secure consumer trust** with tangible evidence that shows how our industry is **part of the solution** to today's challenges.

CGF Coalitions of Action

- ▶ The CGF Board decided to adopt “Coalitions of Action” as a new way of driving faster progress across the current portfolio of **10 Pillar initiatives**.
- ▶ **Coalitions of Actions all revolve around 4 key dedicated components:**



Governance



Charter



Resource Plan



Members







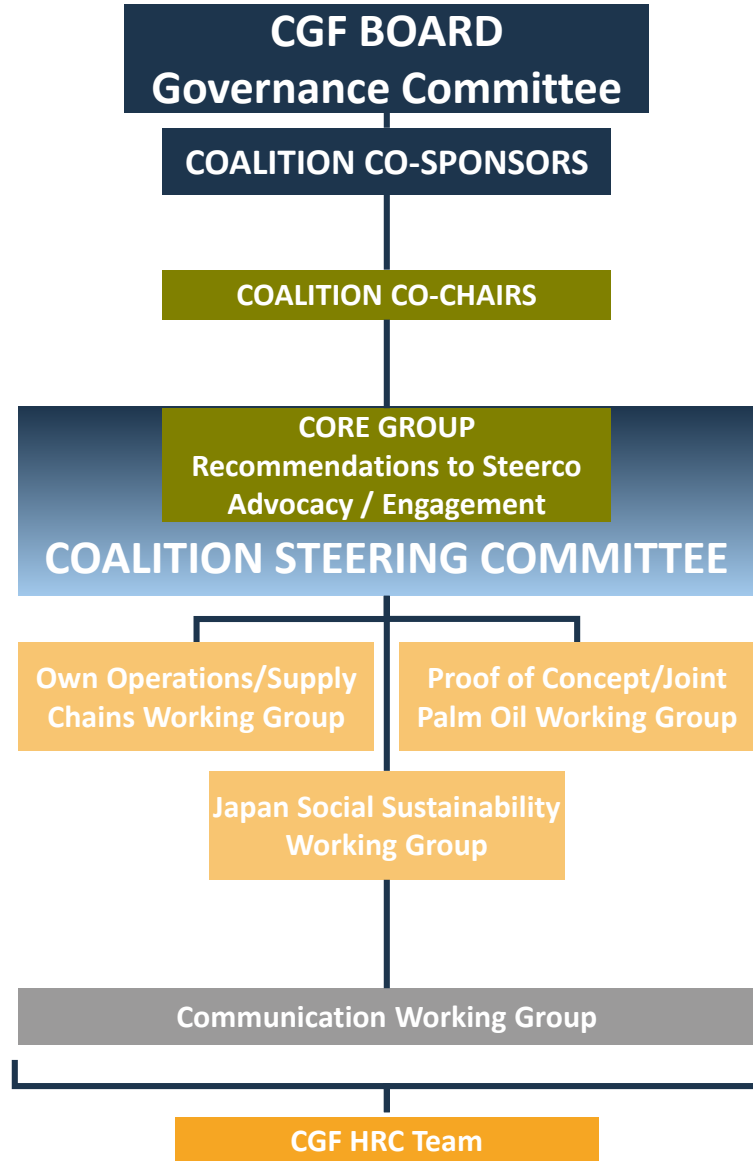
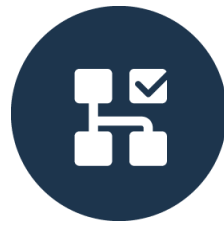
CGF Human Rights Coalition

| *Working to end Forced Labour*

Governance



Governance



Olaf Koch
CEO, METRO AG



Emmanuel Faber
CEO, Danone

COALITION CO-SPONSORS



Veronika Pountcheva
Global Director,
Corporate Responsibility,
METRO AG



Brent Wilton
Global Director,
Workplace and Human Rights,
The Coca-Cola Company

COALITION CO-CHAIRS

Members



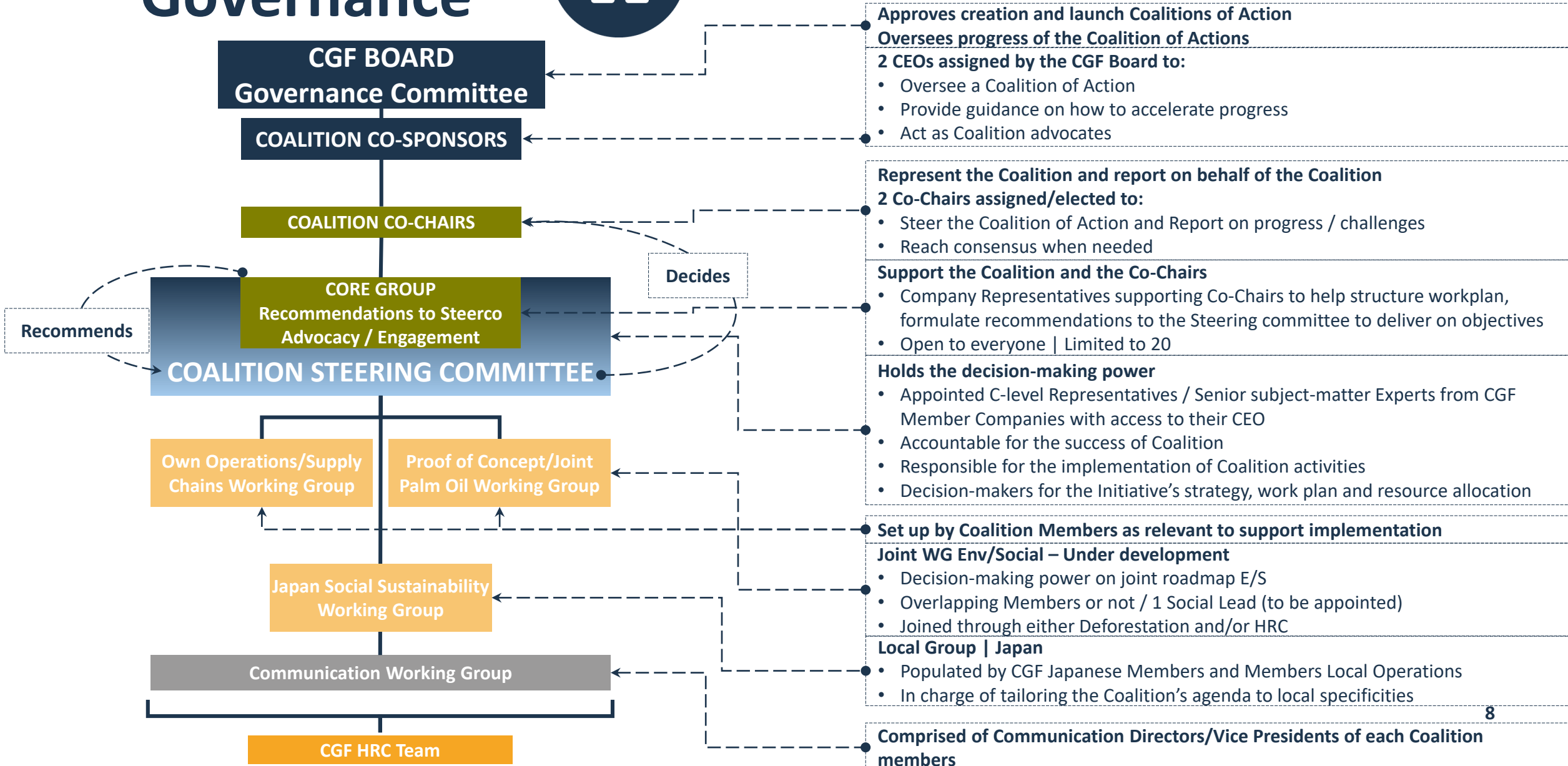
Confirmed members as of October 2020 (19 members):



Observers

- ▶ CGF member companies are allowed to join calls/meetings and working groups as “Observers” during the sign-up period (Until December 2020)

Governance





CGF Human Rights Coalition

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FORCED LABOUR: MOST SALIENT HUMAN RIGHTS ISSUE



Human Rights
Ending Forced Labour



24.9 million people trapped in forced labour (16 million in the private sector).

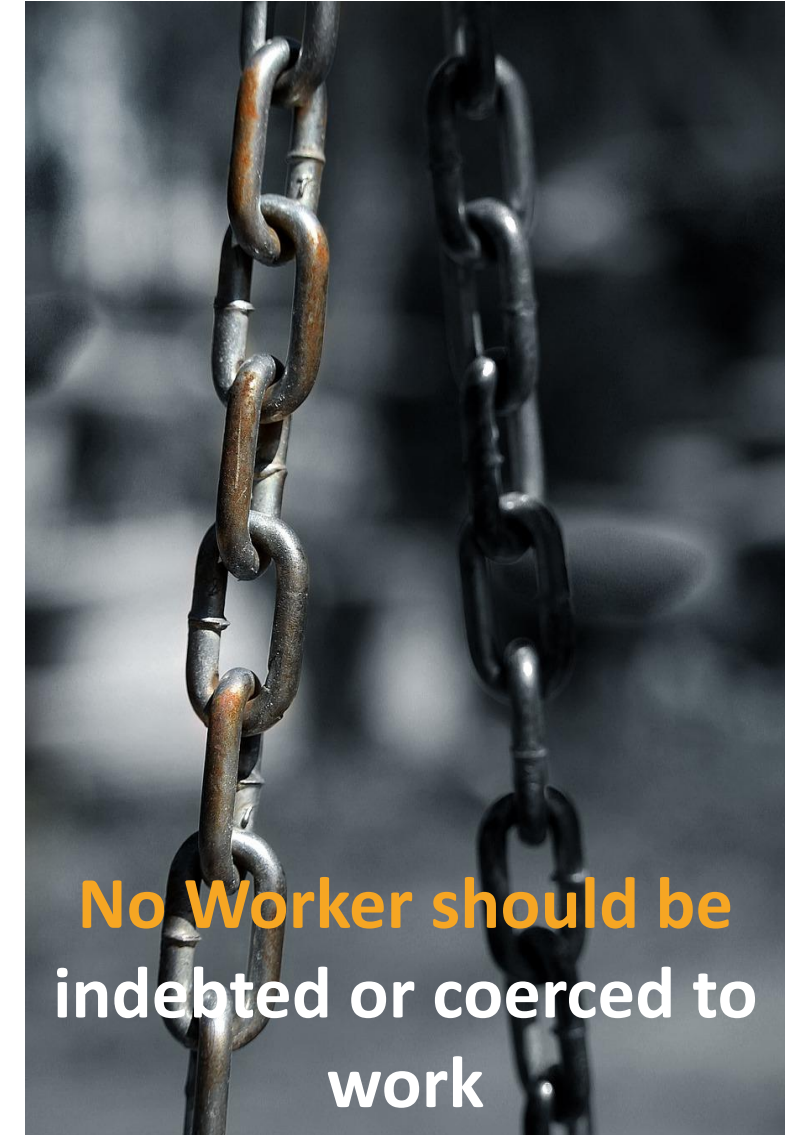
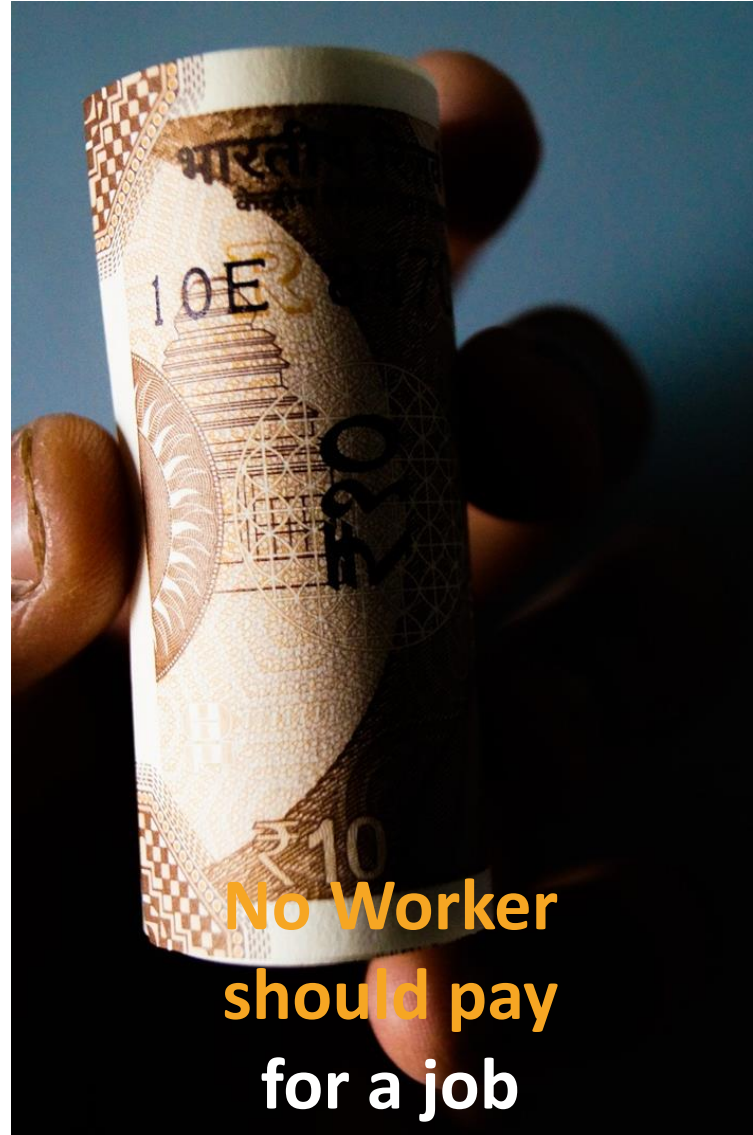
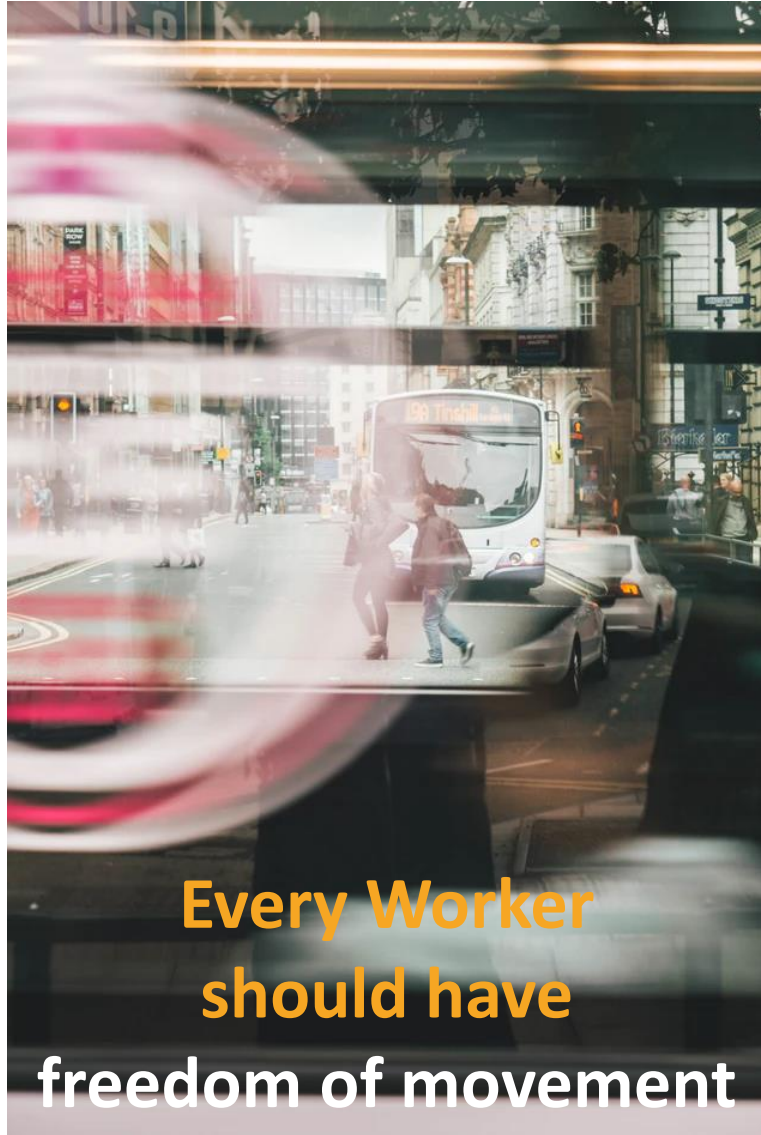
Asia-Pacific region accounts for the highest number of forced labour victims (16.5 million), followed by Africa (3.4 million)



Abuse of recruitment practices and workers' treatment is prevalent in the industry

e.g. charging of fees to workers, wage withholding, lack of contractual agreements, restricted worker's freedom of movement etc.

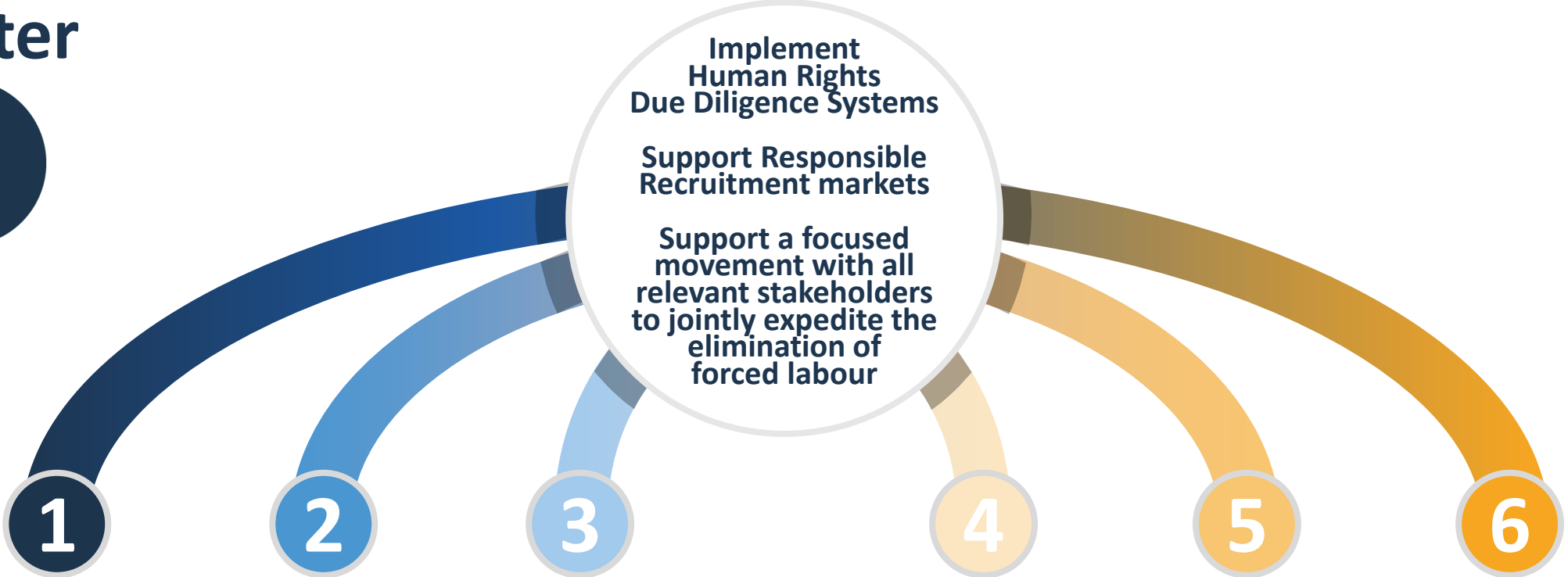
CGF PRIORITY INDUSTRY PRINCIPLES (PIPs)



CGF HRC Charter



To advance our Forced Labour Resolution and its Priority Industry Principles, in alignment with the UNGPs, we will drive individual and collective action in our businesses and supply chains to:



Establish and deploy HRDD systems in our Own Operations with the aim of reaching 100% coverage by 2025	Activate pre-competitive practices to support responsible recruitment markets using the leverage of our own operations and collective engagement in selected geographies / commodities by 2025	Collaborate with selected suppliers starting with palm oil supply chains to develop and deploy HRDD systems from the refinery to the plantation level by 2023	Engage relevant stakeholders to enable the adoption and enforcement of measures with governments to eliminate forced labour	Act with relevant industry, multi-stakeholder groups and inter-governmental organizations to enhance cooperation and share information and resource openly	Support transparency and disclosure efforts on risks and challenges in addressing forced labour within own operations and associated with supply chains
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Cross-coalition relationship

**Working to End
Forced Labour**
(in Own Operations and
Supply Chains)

Benchmarking Tool
(social & environmental
compliance – in the next
phase)

**Forest-Positive
supply chains**

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

- Human Rights Due Diligence (HRDD) on forced labour
- Responsible recruitment
- Advocacy & engagement with stakeholders/governments (via responsible recruitment roundtables, supplier events)

CGF Sustainable Supply Chain Initiative (SSCI)

- Technical aspects on benchmarking 3rd party certification/monitoring schemes
- Issues incl. forced labour (e.g. recruitment fees/responsible recruitment), child labour, wages, working hours.

CGF Forest Positive Coalition

- Deforestation/conversion-free supply to forest positive business
- Integrated land use approach
- Commodity-specific work (palm oil, pulp, paper & packaging, and soy)

Charter - CGF Human Rights Coalition |

Working to end Forced Labour



Human Rights
Ending Forced Labour

OVERALL COALITION OBJECTIVES

To advance our Forced Labour Resolution and its Priority Industry Principles (PIPs), 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:

1. Implement Human Rights Due Diligence Systems (HRDD)
2. Support Responsible Recruitment markets
3. Support a focused movement with all relevant stakeholders to jointly expedite the elimination of forced labour

WORKING GROUPS

1. **Own Operations & Supply Chains** Group
(Commitments 1/2/6)
2. **Proof of Concept** Group
(Commitment 3)
3. **Advocacy and Engagement** Group
(Commitments 4/5/6)

This Coalition will also align closely with the #Forestpositive and SSCI (Sustainable Supply Chain Initiative) Coalitions

COALITION MEMBER COMMITMENTS

Appoint lead company representative(s) to participate in Coalition Committee meetings and enabling working groups/taskforces/events, and report on progress and KPIs
Ensure CEO understanding and support | Commit Company resources (human/financial) to actively support Coalition's activities (TBD with full Coalition)
Activate and implement the following objectives targeting the eradication of forced labour:

1. **Establish and deploy HRDD systems in our Own Operations** with the aim of reaching 100% coverage by 2025
2. **Activate pre-competitive practices** (e.g. roundtable discussions, open source training materials, etc.) **to support responsible recruitment markets** using the leverage of our own operations and collective engagement in selected geographies / commodities by 2025
3. **Collaborate with selected suppliers starting with palm oil supply chains to develop and deploy HRDD systems from the refinery to the plantation level by 2023**
4. **Engage relevant stakeholders** to enable the adoption and enforcement of measures with governments to eliminate forced labour
5. **Act with relevant industry, multi-stakeholder groups and inter-governmental organizations** to enhance cooperation and share information and resource openly
6. **Support transparency and disclosure of efforts on risks and challenges in addressing forced labour** within own operations and associated with supply chains

CGF & KEY PARTNER ROLES

CGF: Co-ordinate industry engagement and representation
Project partners supporting project management)
AIM-Progress/IHRB/RBA/ITP/ILO Business Network/IOM: Joint events and knowledge sharing
Other partners to support the implementation of the Charter

MEASUREMENT/REPORTING METRICS

Annual industry reporting on Coalition progress:

- achieving 100% HRDD coverage in own operations by 2025
- # of workers covered by HRDD systems
- Report on transformative practices in Palm Oil by 2023
- # of public & industry policies positively changed or adopted
- Track and report engagement with other organisations

COMMUNICATION STRATEGY

Position the Coalition of Action as a major collaborative CEO-led industry initiative dedicated to the fight against forced labour with transparent annual progress reporting

VALUE PROPOSITION TO MEMBERS

Value to participants:

- Contribute collective industry influence to respect Human Rights
- Enable responsible labour markets
- Support individual company efforts on social sustainability and Human Rights
- Support engagement with governments and civil society
- Recognition of CoA Members as Responsible Businesses
- Support in protecting brand equity and company reputation¹⁴

Value versus other approaches:

- *CEO Leadership*



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Japan Social Sustainability Working Group



Japan Social Sustainability WG | Roadmap

Members' Interest

1. Information from advanced companies' initiatives: evaluation, KPIs, materiality, governance

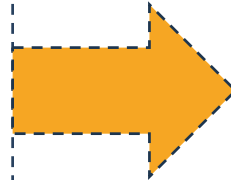
- ▶ **[DIRECTION]** Share latest information (updates on National Action Plan, ESG investor requirements, dialogue with NGOs...) to support individual company's action plan

2. Tackle the difficulty of building own grievance centre

- ▶ **[DIRECTION]** Consider a collective action to support a shared grievance centre

3. Key interest to address issues affecting foreign technical interns

- ▶ **[DIRECTION]** Consider building Guidelines to end forced labour of foreign technical interns



Objectives

1. Promotion of HRDD at individual company level

- ▶ Support members with information on National Action Plan, ESG evaluation, how to engage with NGOs...
Share methods to implement HRDD systems by promoting company approaches

2. Promote action to eliminate forced labour

- ▶ Accelerate action on forced labour as key human rights risk by studying the implementation of "ASSC Workers' Voice" and by collaborating with UN organisations (ILO, IOM...) and MAFF (Ministry of Agriculture, Fisheries and Forestry)
- ▶ Work on Supply Chain Guidelines to prevent forced labour of foreign technical interns

Expectations of members



Supporting the coalition activities in countries where they operate, with resources and capabilities



Helping to implement the coalition communications strategy



Implementing CGF commitments in own company and report on progress



Being an active member in meetings and when possible co-chairing working groups

Members not fully participating in this way may be asked to leave the steering committee.

Thank you!

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