



Workers' Rights Recommendations for Food Retailers

CORPORATE GOVERNANCE	
a)	Commit to the UN Women's Empowerment Principles to demonstrate commitment to gender equality.
b)	Commit to disclose by the end of 2018 which committee has oversight of human and labour rights policies and who, within the senior executive team, holds operational responsibility for ensuring human and labour rights are respected and remedy is available to workers in the company's operations and supply chain. ¹
c)	Commit to disclose by the end of 2018 the company's pay ratio between CEO and median pay, ² the employee gender pay gap ³ and the direct economic value generated and distributed. ⁴
d)	Commit to review and publish by the end of 2018 the company's buyer incentive policy, such that buyers are incentivized to respect human and labour rights in supply chains.

1. KNOW AND SHOW RISKS RELATED TO WORKERS' RIGHTS	
1.1 Supply chain transparency	Commit to publish by the end of 2020 the names of product types ⁵ and production site-level sourcing locations (in the case of seafood, down to feed level) for all first and second tier food suppliers on a website and update regularly.
1.2 Human rights due diligence	Commit to carry out by 2020, for all food supply chains, a human rights due diligence assessment, aligned with the UN Guiding Principles on Business and Human Rights and/or to the OECD – FAO Guidance on Responsible Agricultural Supply Chains. ⁶
1.3 Workforce transparency	<p>Commit to carry out by the end of 2020 assessments of the number of male and female workers, and their median wage levels (male/female) at each production site-level location for three high-human-rights-risk food products as identified through the human rights due diligence assessment. Publish the findings.</p> <p>Commit by 2025 to systematically tracking the gender ratio of workers in the company's supply chain (if possible distinguishing between different categories of workers: managers, supervisors and waged workers) to ascertain the extent to which women are moving into higher level positions.⁷</p>
1.4 Human rights impact assessments	<p>Commit to undertake and publish Human Rights Impact Assessments (HRIAs) by the end of 2020 for at least three high-human-rights-risk food products, and to carry out and publish at least three HRIAs annually for the following three years.</p> <p>Demonstrate that stakeholders, including trade unions whenever existing as well as civil society organizations and communities, have been consulted as part of the process. The HRIAs, which may be carried out in collaboration, should differentiate between impacts on women and men, and between migrant and local workers, and be carried out with the active involvement of affected people.⁸</p>
1.5 Grievance mechanisms	Show the company has in place, or commit to develop by the end of 2020, grievance mechanisms for its supply chains that are in line with the UN Guiding Principles on Business and Human Rights. ⁹

1.6 Labour share of value	Commit to estimate and publish the labour share of value for the lowest paid workers at each stage of the supply chain for at least three high-human-rights-risk supply chains by 2020. ¹⁰
2. COMMIT TO ACT IN OWN SUPPLY CHAINS	
2.1 Policy on human and labour rights ¹¹	<p>By the end of 2018, review and publish the company's human resources and supply chain policy¹² so that there is alignment with relevant International Labour Organization (ILO) conventions and national labour laws, including zero tolerance of inaction on forced and child labour;¹³ respect for freedom of association and the right to collective bargaining; proactive prevention of discrimination; and payment of a living wage.¹⁴</p> <p>The policy should:</p> <ul style="list-style-type: none"> • apply to both operations and supply chains, and branded food products as well as own-brand products; • recognize that improving standards in the supply chain is a shared responsibility of the company and its suppliers and sub-suppliers; • outline grievance mechanisms based on the UN Guiding Principles on Business and Human Rights and set out how workers can access remedy when they experience a violation of their rights; • include a commitment to ensuring the use of labour brokers does not undermine freely chosen or regular work or require recruitment fees to be paid by workers; • include action to demonstrate to stakeholders that the company is not using unfair trading practices in its dealings with suppliers;¹⁵ • include an explanation of the company's methodology for, and time-bound targets to implement, its policy commitment on living wages; • ensure proper health and safety protection for workers; • include the company's policy on pay ratios and closing gender pay gaps;¹⁶ • include the company's rationale for any product certification schemes¹⁷ in relation to their effectiveness in addressing human and labour rights. <p>Either as part of the policy, or separately, commit to develop and publish by the end of 2020 a gender policy which includes:</p> <ul style="list-style-type: none"> • prevention of gender discrimination in hiring, training and promotion; • safety from sexual harassment during the recruitment process, in the workplace and when travelling at night; • recognition of hidden or unpaid productive roles and women's greater unpaid care work.
2.2 Action plan to address human rights risks	<p>Publish a three-year action plan by the end of 2020 which includes the development of strategies with critical suppliers of all high-human-rights-risk food products for improving the quality of jobs.¹⁸ Consult on the strategy with trade unions and civil society organizations.</p> <p>The action plan should include goals and time bound targets for three high-human-rights-risk food sectors¹⁹/regions to achieve by 2025, including:</p> <ul style="list-style-type: none"> • elimination of recruitment fees paid by workers; • regular training of workers and managers on workers' rights, with an active role for workers; • legally-binding commitments to workers on their employment conditions, based on collective bargaining agreements with trade unions where such unions and agreements exist, and commitment to support their creation/development where they do not; • programmes to prevent sexual harassment; • a regular increase in the proportion of women and men workers on open-ended contracts vs temporary contracts, with a trajectory towards 100% on permanent contracts;

	<ul style="list-style-type: none"> • a regular increase in the proportion of women in technical, supervisory and management roles, up to a minimum of 50%; • engagement with key suppliers so that they develop and implement a gender policy. <p>Demonstrate that the company takes into account the results of due diligence assessments concerning the track record of countries in protecting human and labour rights²⁰ when choosing countries in which to locate operations and source products, and that it engages with suppliers so that they do the same.</p>
2.3 Engagement with trade unions	<p>Commit to guarantee regular, meaningful and constructive engagement with trade unions, including the IUF and its affiliates at national and regional level and unions representing retail workers.²¹</p> <p>By the end of 2018, publish a statement/policy of strict neutrality in relation to organizing efforts in the company's own operations, which includes zero-tolerance towards intimidation of, or retaliation against, workers for attempting to establish a union; reasonable access by unions to workers on-site during break periods; a policy position not to hire anti-union consultants; and a commitment to engage on the same with the company's suppliers.</p> <p>Where female representation via trade unions active within their supply chains does not adequately reflect the proportion of women workers, commit to engage with trade unions to remove barriers to this and enable women workers to dialogue with management and have a safe means to raise their voice.</p>
2.4 Living wages	<p>Commit to achieve a living wage in at least three high-human-rights-risk sectors²² by the end of 2020, based on collective bargaining or an independently determined, established methodology.²³</p> <ul style="list-style-type: none"> • Identify and publish the gap between current wages of male and female production workers (without overtime) and benchmarks of a living wage,²⁴ together with measures taken to close the gap. • Make a time-bound commitment to factor living wage benchmarks into the company's price negotiations and contract terms with suppliers as a non-negotiable cost. • Monitor impact of own purchasing practices on male and female workers' income. • Work with other actors to develop sector wide plans towards living wages. <p>In sectors where living wage benchmarks have not been developed, commit to work with trade unions, whenever existing, as well as civil society organizations and other relevant stakeholders to identify the cost of living needs for workers, in order to set targets.</p> <p>Publish progress on advancing living wages annually.</p>
2.5 Business forms that benefit workers	<p>Prioritize suppliers that give greater voice, power and value to workers and farmers through the ownership and governance structure of their business.</p> <p>Complete a process by the end of 2020 to identify how worker and small-scale producer interests are represented through suppliers' business structures, for instance by (a) boards, (b) share ownership, (c) price-setting mechanisms, (d) wage-setting mechanisms, (e) profit distribution mechanisms of suppliers and (f) counting the value to the business of women's unpaid work.</p> <p>Commit to an action plan to regularly increase the proportion of suppliers that have such features by the end of 2020. Companies should report on progress and challenges in implementing their action plan annually.</p>

3. COMMIT TO ACT BEYOND OWN SUPPLY CHAINS	
3.1 Government advocacy	<p>Commit to ongoing advocacy with governments, and to proactively publish by 2020 an advocacy policy to demand from governments, wherever the company sources products, guarantees for freedom of opinion, expression, assembly and association, and the effective protection of human rights defenders, as well as the importance of strong statutory labour rights protections, collaborating with others where appropriate.</p> <p>Commit to reform or pull out of trade associations/chambers of commerce by 2020 which lobby against these rights and freedoms.</p> <p>Advocacy on statutory labour rights protections should be based on relevant ILO conventions.²⁵</p>
3.2 Pre- competitive collaboration	<p>Actively participate in credible multi-stakeholder initiatives (MSIs) which effectively address labour issues in high-human-rights-risk food supply chains and report on the role they play e.g. by publishing the company's annual report to the MSI against its membership obligations.²⁶</p>

NOTES

- 1 A supply chain comprises all stages and workers linked to supply of a particular commodity, raw material or ingredient from a particular country, from inputs through to production and distribution e.g. strawberries from Morocco or bananas from Costa Rica. (i.e. strawberries from multiple countries would not be counted as a single supply chain).
 - 2 In this context, Oxfam follows the GRI guidance on what should be included in pay ratio calculations. GRI, G4-54: 'Depending on the organization's remuneration policy and availability of data, the following components may be considered for the calculation:
 - Base salary: guaranteed, short term, non-variable cash compensation
 - Cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-sharing + other forms of variable cash payments
 - Direct compensation: sum of total cash compensation + total fair value of all annual long-term incentives (such as stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards)'<https://g4.globalreporting.org/general-standard-disclosures/governance-and-ethics/governance/remuneration-and-incentives/Pages/G4-54.aspx>
 - 3 Either:
GRI, G4-LA13 'Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation'
 - a) Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.
 - b) Report the definition used for "significant locations of operation".'<https://g4.globalreporting.org/specific-standard-disclosures/social/labor-practices-and-decent-work/equal-remuneration-for-women-and-men/Pages/G4-LA13.aspx>
OR
Using the methodology required by the UK Government for mandatory gender pay gap reporting
 - 'Gender pay gap (mean and median averages)
 - Gender bonus gap (mean and median averages)
 - Proportion of men and women receiving bonuses
 - Proportion of men and women in each quartile of the organisation's pay structure'<http://www.acas.org.uk/index.aspx?articleid=5768>
 - 4 GRI, G4-EC1:
'a) Report the direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the organization's global operations as listed below. If data is presented on a cash basis, report the justification for this decision and report the basic components as listed below:
 - Direct economic value generated:
 - Revenues
 - Economic value distributed:
 - Operating costs
 - Employee wages and benefits
 - Payments to providers of capital
 - Payments to government (by country)
 - Community investments
 - Economic value retained (calculated as 'Direct economic value generated' less 'Economic value distributed')
 - b) To better assess local economic impacts, report EVG&D separately at country, regional, or market levels, where significant. Report the criteria used for defining significance.'
- <https://g4.globalreporting.org/specific-standard-disclosures/economic/economic-performance/Pages/G4-EC1.aspx>
- 5 By 'products' we mean the main ingredients (by highest value) used in the production of the final goods on the shelves of the supermarket. For example, these can be globally traded commodities (like palm oil or sugar) or other ingredients (like fresh fruit or seafood).
- 6 OECD-FAO guidance for responsible agricultural supply chains. <http://mneguidelines.oecd.org/OECD-FAO-Guidance.pdf>
- 7 For instance, based on aggregated data from social audit reports or other data held by companies about their supply chain.
- 8 Oxfam advice to companies planning to carry out Human Rights Impact Assessments can be found here <https://www.oxfamamerica.org/explore/research-publications/community-voice-in-human-rights-impact-assessments/>. Other methodologies are available.

- 9 UN Guiding Principles on Business and Human Rights. http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf (page 27 onwards).
- 10 Companies should work together to establish a methodology that can feed further data into existing efforts – such as the BASIC study conducted for Oxfam. C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.
- 11 Mention is made of the four Core Labour Standards of the ILO, but many other elements are needed for a credible policy, including, for example, regular employment, no excessive working hours (beyond 48), no harassment or harsh treatment etc.
- 12 The policy needs to include human resources/the workforce in both operations and supply chains.
- 13 Zero tolerance of inaction includes the following in line with ILO R203: the company undertakes a mapping of its supply chain, assesses risks (by source country and food commodity) and mitigates them, and provides access to remedy in line with the [ILO General Principles and Operational Guidelines for Fair Recruitment](#), and reports regularly against these. For UK companies, a Modern Slavery statement could be a place where such actions are demonstrated. Membership of [Seafood Taskforce](#) and [Leadership Group for Responsible Recruitment](#) provide opportunities to demonstrate such actions.
- 14 A living wage should cover food, housing, transport, clothing, medical expenses, education expenses, household bills and utilities, recreation, essential care costs (child care, elderly care) and contingency for emergencies.
- 15 See [ILO's Purchasing practices and working conditions in global supply chains: Global Survey results](#) and [Joint ETIs' Guide to Buying Responsibly](#) for more on unfair trading practices.
- 16 The gender pay gap between senior management and workers at different levels.
- 17 Certification schemes are a tool to demonstrate good practice, assure consumers about standards, and differentiate companies from competitors. However, most schemes are weak on assuring labour rights and can undermine momentum for reforms by governments and companies. For instance, in the decade to 2015, 1,800 workers died in factory fires and building collapses in garment facilities that had been audited and certified as compliant with voluntary corporate codes. See B.S. Claeson (2015). Emerging from the Tragedies in Bangladesh: A Challenge to Volunteerism in the Global Economy. 10.2190/NS.24.4.e. Comment and Commentary section.
- 18 Some tools also exist to bring greater transparency to buyer behaviour, e.g. Better Buying.
- 19 Oxfam's definition of a food category/sector in this context is all food products of a particular category (e.g. tea, strawberries, rice) across all sourcing countries. (N.B. Whereas the definition of a single supply chain is restricted to a product from a particular country, a food category may cut across multiple supply chains.) Oxfam follows the criteria for high risk supply chains given in the OECD–FAO Guidance for Responsible Agricultural Supply Chains. <http://mneguidelines.oecd.org/OECD-FAO-Guidance.pdf>
- 20 Guides on the quality of countries' governance of labour rights include the ITUC Global Rights Index 2017, <http://www.ituc-csi.org/ituc-global-rights-index-2017>, and Oxfam's [Commitment to Reducing Inequality Index 2017](#)
- 21 Trade unions that are democratic and independent from employer/government control, and as representative as possible of all workers including women and migrants, with preference given to affiliates of, or unions recommended by, the IUF, ITF and/or the ITUC. Engagement includes facilitating trade unions' access to supplier factories and farms/vessels to meet with workers. For more information on meaningful stakeholder engagement, see: <https://www.shiftproject.org/resources/publications/human-rights-lens-stakeholder-engagement/>
- 22 Oxfam recognizes that asks on living wage are achievable in sectors with short supply chains but extremely challenging in long, opaque ones like seafood or palm oil at this stage.
- 23 The Global Living Wage Coalition has adopted the methodology developed by the Ankers and this has been widely accepted by certification bodies and others: www.globallivingwage.org
- 24 Living wage benchmarks should be evidence-based, taking into account the costs of living, and developed in consultation with unions through social dialogue,²⁴ or based on a credible independent study and published methodology.²⁴ A benchmark should cover food, housing, transport, clothing, medical expenses, education expenses, household bills and utilities, recreation, essential care costs (child care, elderly care) and contingency for emergencies.
- 25 Important subjects of advocacy with governments include: minimum wages that are adequate for a living wage and updated annually; legal status, non-discrimination and fair recruitment of migrant workers; rights for workers in the informal sector/gig economy; effective consultation on the development of new labour laws; effective implementation, inspection and enforcement of labour laws with a monitoring role for civil society organizations; gender-progressive employment laws and other laws/policies that address the causes of gender inequality; and judicial and non-judicial grievance mechanisms available to workers and effective at national level.

26 Oxfam defines credible multi-stakeholder initiatives (MSIs) in this context as those that:

1. Aim to secure and advance the rights of female and male workers/female and male small-scale producers;
2. Provide meaningful involvement for female and male workers and local labour unions (for Workers theme on Oxfam's Supermarkets Scorecard)/small-scale producers groups and organizations (for Small-scale producers theme).
3. Involve local unions (as confirmed by IUF for those MSIs concerned with labour rights)/small-scale producer groups and organizations in their governance;
4. Are transparent about their goals (including public policy influencing agenda), achieved impacts, membership, governance structure and financing;
5. Effectively address sourcing practices as part of their strategy (i.e. go beyond mere convening);
6. Build in mechanisms that ensure the accountability of stakeholders;
7. Provide effective internal grievance mechanisms for female and male workers/female and male small-scale producers;
8. Call for access to remedy through effective grievance mechanisms and measures that facilitate dispute settlement.