TURNING POINT:
A Three-year Update on US Supermarkets’ Progress and Pitfalls

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Since the outbreak of COVID-19, the global landscape of the food retail industry has dramatically shifted. There is now greater awareness of how wealth and gender inequalities have been exacerbated; the power of workers in the United States (US) has been awakened; the vulnerability of global supply chains has been exposed; big retailers are competing in technology adoption; investors are demanding environmental, social and governance (ESG) information; and there has been legislative advancement towards mandatory human rights due diligence (HRDD) law. Amidst these increasing pressures, major US supermarkets have continued to delay urgent actions needed to end exploitation of workers, women and farmers in their supply chains and retail operations. Key gaps include the lack of commitment to adopt a robust HRDD approach, lack of policies on workers’ rights at home and abroad, and the non-existence of gender policy in their business model. Failure to act now will result in irreversible impacts on workers, farmers and women – impacts that pose major risks to business continuity and supply chain resilience.

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Cover photo: Oxfam and its supporters have been taking action to urge supermarkets to respect and acknowledge labour unions. These food workers in Brazil now wear protective clothing – a notable improvement from four years ago, when preventable workplace injuries occurred due to lack of proper gear. © Oxfam
EXECUTIVE SUMMARY

Despite a heightened awareness and some measured instances of progress, United States (US) food retailers have continued to do too little, too slowly, to address the fundamental flaws of their business model. Since March 2020, workers, trade unions, non-governmental organizations (NGOs) and other stakeholders have been calling on major US supermarkets to take the opportunity to lead and change how our global food systems operate. Yet, the workers and small-scale farmers who produce the food those retailers sell are still suffering. Oxfam is observing how US retailers have returned profits back to their shareholders, while workers are losing trillions in income and facing new or increasingly exploitative working conditions such as precarious employment and restrictions on movement.

A seismic shift is happening, and the world is unlikely to go back to ‘normal’. Crucial societal trends have emerged since the onset of the pandemic, and despite US retailers’ continued reluctance to making meaningful changes to prioritize people over profit, the need for those vital shifts – coupled with the will to force them – has perhaps never been so pronounced as now:

- **Gender and racial disparities** that have been exacerbated by the health, emotional and financial tolls of the pandemic are receiving greater attention and concern from investors, legislators and labour unions than ever before.
- **Organized labor in the US** has experienced a groundswell in support, with early successes in subsectors of the food industry previously thought untouchable (in the case of Starbucks), and efforts around organizing from Amazon to Walmart – further empowering workers.
- **The global supply chain crisis** (including vital inputs needed by food manufacturers) resulting from the lack of supply chain resilience and are increasingly drawing policy makers’ attention.
- **Battles for supremacy in e-commerce among major retailers**, resulting in the use of algorithmic tools and other technologies to exploit and put undue pressure on workers, have invigorated efforts to unionize the sector, again drawing attention from legislators.
- **Increased investor attention** to environmental, social and governance (ESG) issues is manifesting in a steady increase in support for shareholder resolutions calling for human rights due diligence (HRDD) measures, more equitable and improved working conditions, at food retailers and in their supply chains.
- **Progress on mandatory HRDD legislation** (especially in the European Union [EU]) is on the horizon and will soon join the nascent regulatory frameworks seeking to address forced labor in food supply chains in the US and the United Kingdom (UK).

Amidst these increasing pressures, this Oxfam report first highlights some examples of powerful changes from certain UK and European retailers. It then provides an overview of progress in the company policies of five major US retailers (Albertsons Companies, Costco, Kroger, Walmart and Whole
Foods) on HRDD, workers’ rights and gender justice – and highlights the remaining gaps in those policies. We found that more concrete actions are urgently needed from US retailers. These major retailers have both the self-interest and power to lead on these issues – to protect themselves from further reputational risks and to restore public trust in business.

Now is not the time for business as usual. Many smart, leading companies know this, and they are pivoting from acknowledgement and acceptance of the risks to taking the high-road approach to address them. Oxfam is calling on major US retailers to:

• **Adopt and implement HRDD (including human rights impact assessments (HRIAs) and grievance mechanisms), gender justice and workers’ rights policies** that Oxfam has been calling for throughout the Behind the Barcodes campaign.

• **Change procurement practices by incorporating their human rights and labor rights standards into their buying agreements** and making the standards in their supplier codes of conduct mandatory.

• **Prioritize gender justice in all human rights and social sustainability policies, procedures and practices, and commit to best practice standards by implementing the Women’s Empowerment Principles.**

• **Embrace, not obstruct, the role of workers’ unions (including the right to organize) and worker advocates in representing the needs and voices of workers.** US retailers should rely on insights and ideas that workers and their union representatives can bring to navigate complexity in workplaces and supply chains, rather than seeking to intimidate them with retaliatory measures in response to efforts to organize.

• **Tie key performance indicators (KPIs), other relevant management systems, and executive and managerial compensation to the company’s performance on ESG criteria.** Such measures are necessary to operationalize change principles into concrete behaviour and to shift corporate culture in the day-to-day operations of the business.

In this way, industry can itself be a leader in realizing a just recovery from the COVID-19 pandemic and its adverse economic impacts, while also ensuring its own long-term financial sustainability, improving worker productivity and resilience in the process.
1. INTRODUCTION

More than two years after the onset of the deadliest pandemic in a century and countless calls for industry to ‘rise to the occasion’, US food retailers have done little to change how they do business and improve the lives and working conditions of the people who produce the food they sell.

Instead, the world’s frontline food workers remain the most vulnerable to poverty and exploitation, as the largest and most profitable supermarkets continue to exploit them by imposing unrealistic pricing pressure on their suppliers. The food workers that farm, fish, manufacture and sell the food we eat struggle to earn a living wage, access basic health and safety protections, and sometimes even to avoid slave labor conditions. The situation is even more dire for women workers and workers of color.

Nevertheless, there are now quite a few glimmers of hope in the form of advances made by certain food retailers in the UK and EU. From Tesco’s recent work on living wages in their banana supply chains, to the 2021 commitments from Albert Heijn, Jumbo and Lidl on gender equality, Oxfam’s Behind the Barcodes campaign has successfully laid the building blocks of a strong foundation from which a systemic transformation might be realized.

As we are entering a new phase of the pandemic and continued global disruptions, Will supermarkets continue to exploit their suppliers and workers, further exacerbating gender, economic and other inequities? Or will they choose to respond to the worldwide disruptions and renew their ‘social contract’ with workers, small-scale farmers and suppliers to charter a new path towards an inclusive, just and resilient retail industry?

Industry can and must do more to improve the lives of the world’s most vulnerable workers who produce the food that we all depend on. Genuine and meaningful changes in companies’ HRDD could have a profound impact on workers’ rights and gender equality across sectors. In this briefing note, we will first provide a global stocktaking to reflect on emerging trends and their impacts on workers, based on interviews with a diverse set of stakeholders. Subsequently, we conducted a gap analysis of major US supermarkets’ policies on HRDD, workers’ rights and gender justice to understand key progress and remaining gaps. Finally, we propose a Just Recovery agenda for the food retail industry, detailing how this new vision can be realized.
2. A GLOBAL STOCKTAKing: RECENT TRENDS AND THEIR IMPACTS ON WORKERS

Changing trends and shifting stakeholder expectations have provided new incentives and opportunities for industry to make more significant advances to respect human rights and workers’ rights throughout their supply chains. However, US supermarkets have mostly been slow or outright resistant to advancements in the areas of workers’ rights, gender equality and human rights due diligence. The people providing the labour in their own operations and supply chains continue to be treated as costs to be minimized, rather than people who have a stake in the business, and are therefore key voices that should be listened to.

This section highlights emerging global trends and their impact on the ability or willingness of food retailers to finally do what is needed to stop the human suffering behind the food they sell.

THE DISPROPORTIONATE HEALTH AND ECONOMIC IMPACTS OF THE PANDEMIC ON MARGINALIZED COMMUNITIES – THE WORKING POOR, WOMEN AND PEOPLE OF COLOR

Despite claims that we are ‘all in it together’ as news of the pandemic first hit in early 2020, and even in the light of the first glimmers of a return to normalcy at the time of writing (April 2022), the most vulnerable workers in food supply chains continue to bear the brunt of pandemic-related health risks while simultaneously struggling with insufficient income and poor working conditions. At the same time, the pandemic brought US food retailers, their executives and shareholders an economic windfall that shows no signs of letting up, even with the current 15% increase in supermarket prices compared to before the pandemic.

THE PANDEMIC AND WORKERS’ RIGHTS

The pandemic highlighted and exacerbated long-standing injustices and exploitation at the heart of many employment practices, which have long denied workers basic rights, ranging from a living wage to health and safety and decent working conditions. At the onset of the pandemic, supermarkets across the US pledged to honor the brave workers still reporting for duty in their stores with ‘hero pay’ premiums – a small but crucial acknowledgment...
of their bravery and the hazards inherent in their jobs. Unfortunately, even those small concessions were quietly revoked just weeks later, even as supermarket revenues soared.5

Table 1: Spotlight on US labor trends and issues

| Momentum in worker organizing and unionization | • Unionization efforts are gaining momentum at large US corporations, including many leading food retailers. In 2020 and 2021, there has been a groundswell of worker organizing.  
• Millions of people left their jobs, often for better work in the same industry, and thousands of unionized workers went on strike, were on the verge of striking, or voted to unionize to demand safer jobs, better pay and decent working conditions. |
| Health and safety risks | • During the pandemic, workers redoubled long-standing demands for paid sick time, together with hazard pay, and greater health and safety protections like masking, plastic barriers, vaccines or testing, and social distancing. Some of these were provided by companies, some (temporarily) by law; in some sectors and workplaces, these protections were provided only briefly or not at all. |
| Precarious work and unsustainable schedules | • Low-wage employers in the US have long pursued employment practices aimed at keeping labor costs down and limiting worker power through artificial precarity in working conditions.  
• These tactics include limiting worker hours to prevent them from qualifying for full-time benefits, and ‘just-in-time’ unpredictable scheduling practices that do not allow workers to plan for care-giving and other responsibilities, or to effectively use their off-duty time. This trend has not changed during the pandemic and remains a major concern in the food retail sector. |
| Low wages and food insecurity | • Habitually underpaid, many grocery and agricultural workers across the US are struggling with food insecurity as the pandemic continues. The Institute for Policy Research reported that 1 in 4 Americans experienced food insecurity during the pandemic, and the situation is even more stark along racial disparities.7  
• A recent report commissioned by the United Food and Commercial Workers International Union (UFCW) found that US retail workers were not able to afford food and escape homelessness even while in work. In-store workers do not earn a living wage. The report found that two out of three Kroger employees struggle to afford food, and that 14% of Kroger workers were currently homeless or had been homeless in the past year.9 |
| Call to increase worker representation on company boards | • There have been increasing calls to give hourly workers a seat on company boards9 to democratize decision making in the workplace and elevate worker concerns and perspectives. Too often, existing protocols – managed by the company without meaningful worker input – have failed to acknowledge or resolve grievances in a timely and confidential manner. |
| Pay and inflation | • Many retailers have increased workers’ pay to attract workers in a tightened labor market. But for many low-income workers in the US, inflation is rising faster than their pay.10, 11  
• Corporate profits (37%)12 are increasing at a higher rate than inflation (6.2%) and certainly more than compensation (12%).13  
• Many leading food retailers, such as Albertsons Companies, said that cost increases have been judiciously passed on to consumers while remaining competitive in the market.14 |
### Gender and racial disparities

| Women, people of color and migrant workers – who are disproportionately found in the low-wage workforce in the US – have been hardest hit by the impacts of COVID-19. |
| There have been few efforts to address these impacts, although investors and stakeholders are increasingly paying attention to these gender and racial inequities. |

Women and migrant workers, who were already most vulnerable to poverty and exploitation due to decades of insufficient pay and precarious work, have been disproportionately impacted by the pandemic and its economic effects. The International Labor Organization (ILO) recently reported that workers worldwide have lost $3.7 trillion in income since the onset of the pandemic. And there are now concerns that some pandemic precautionary measures may in fact just be a new form of forced labor – for example, restricting the free movement of Thai shrimp workers to ensure consistent production throughout the pandemic.

### THE PANDEMIC AND GENDER AND RACIAL JUSTICE

The pandemic has laid bare the true impact of gender inequality and the magnitude of threats posed by such systemic inequities. Given that women already tended to work in the least-secure and poorest-paid jobs, they have been hit hardest by the pandemic. Indeed, Oxfam’s research has found that women lost more income than men during the pandemic. There is also the phenomenon of women being forced to leave the workforce due to untenable levels of unpaid work. Unsurprisingly then, given how little has been done to address these disproportionate impacts, in the US, women’s participation in the workforce is now at its lowest rate for three decades, at 56%. Globally, McKinsey & Company reports that women in emerging economies such as India and Brazil are two to three times more likely to report challenges than their peers in developed countries, suggesting that gender and local context may have a compounding effect.

Finally, the unequal effects of the pandemic on workers and working-class families are not limited to gender. In the US, inequalities are also apparent according to race, with people of color being disproportionately affected by just about all impacts and consequences of the pandemic. Research shows that:

- African American women are three times more likely than others to report the death of a loved one in recent months.
- ‘Workers of color were one and a half to two times likelier to report loss of income during the pandemic.’
- African American workers are more likely to work in higher-risk industries, less likely to be able to work from home to avoid exposure to infection, and less likely to have access to healthcare should they become infected.
- Foreign-born Hispanic people and Hispanic adults are more likely to be essential workers and employed in industries most affected by the
pandemic, yet they are barred from many federal pandemic relief and safety net programs.\textsuperscript{26}

Major investors have slowly but increasingly been paying attention to these racial inequities, culminating at the start of 2021 with shareholder resolutions filed at US publicly listed companies to conduct racial equity audits.\textsuperscript{27} This momentum has continued into 2022, with the pension fund for the State of New York filing shareholder resolutions at the five major consumer retail companies calling on them to conduct racial equity audits.\textsuperscript{28}

**RISING WORKER POWER AND WORKER ORGANIZING**

The pandemic has, at least temporarily, altered the balance of power between employers and employees, especially low-wage workers in the US. US food manufacturing workers began a summer of strikes in 2021 that has persisted into early 2022, a full two years on from the start of the pandemic.\textsuperscript{29} In October 2021, thousands of Nabisco and Kellogg workers determined to strike or walk off manufacturing facilities across the US to demand that ‘companies invest more in the workforce and not just use the profits for the shareholders’.\textsuperscript{30} The organized labor groundswell is ricocheting across the US food industry, with major union actions occurring from Starbucks to Kroger and Walmart supplier, Jon Donaire Desserts.\textsuperscript{31}

This increase in worker organizing is taking place in a complex socio-economic environment that precludes ascribing simple causality. There is no doubt, however, that this trend has been buoyed by a tight labor market, especially in key sectors of the economy characterized by low wages, dangerous working conditions and exploitative employment practices. In the context of the economic injustice suffered by the nation’s ‘essential’ workforce – which is disproportionately made up of women and workers of color – it is little wonder that workers in these sectors refused to accept their continued exploitation, exacerbated by the hazards of the pandemic as they kept our economy functioning and food on our tables. They leveraged the heightened demand for their labor to make successful demands of their own – for better pay and working conditions.

Unfortunately, their calls for policy makers to take action have been only partially heeded. The vital investments of the Coronavirus Aid, Relief, and Economic Security (CARES) and American Rescue Plan Act (ARPA) helped to stabilize working families and spur a historic economic rebound,\textsuperscript{32} but key provisions that addressed the unacceptable lack of paid leave and systemic underpayment of essential workers have expired. On the regulatory front, the Occupational Safety and Health Administration’s desperately needed and long-delayed emergency temporary standard on COVID was limited to the healthcare sector, disappointing many workers and worker advocates.\textsuperscript{33}

Importantly, 2021 marked a turning point in momentum around ongoing efforts to unionize Amazon facilities in the US. Spurred by abysmal health and safety conditions (such as management’s inability to keep workers
notified of COVID exposures at its facilities, Amazon workers have begun to initiate unionization in previously unseen numbers. To date, the country’s second largest private employer (after Walmart) lacks a single unionized warehouse across the entire scope of its US operations. And, as the National Labor Relations Board (NLRB) recently found, that is no accident. In fact, the NLRB found that Amazon has been engaged in a years-long, illegal anti-union campaign, which improperly pressured its ‘warehouse staff to vote against joining a union’. Now the company is facing votes to unionize at its US warehouse facilities, in Alabama and New York. On April 1, 2022, workers at an Amazon.com Inc warehouse in New York City voted in support of the Amazon Labor Union (ALU). Pursuant to a recent NLRB settlement, Amazon has agreed not to engage in union-busting behaviour, ranging from threatening employees attempting to exercise their right to organize with disciplinary action, to calling the police in. In certain cases, the settlement enables the NLRB to more easily sue the company for violations, and it has stated intent to closely monitor implementation. Only time will tell if Amazon honors its obligations to allow free and fair union votes, and whether workers will be able to capitalize on this newfound opportunity to exercise their right to collective bargaining.

SUPPLY CHAIN CRISIS

Since the first lockdowns rocked the world in 2020, an emerging crisis of globalization has set in: product shortages, rising prices and supply chain issues across industries are again threatening the livelihoods and futures of the most vulnerable workers in the global food system. COVID-19 surges have led to manufacturing lockdowns, slowing production of goods across sectors. New and highly contagious COVID-19 variants have caused surges in global cases that have led to new lockdowns, affecting manufacturing and production facilities around the world, particularly in production centres in Asia. Increased consumer demand in industrialized countries, as the COVID19’s restrictions are easing, has led to shortages in high-demand goods and the shipping containers needed to transport them, as companies battle supply chain bottlenecks. While employees in certain industries are still facing a workforce supply that’s outpacing demand, the supply chain and logistics industry is struggling with worker shortages due to low pay and high risk in the sector. While the pandemic may be the immediate cause of this situation (from supply/demand volatility), industry’s obsession with reducing costs and maximizing profit is the underlying cause. For decades, companies have been decreasing inventory and relying on ‘just-in-time’ production as a way of lowering costs (e.g. warehousing) and increasing profit margins. However, the depletion of standing stores of inventory means that companies have no flexibility to meet consumer demand in the face of manufacturing or shipping delays. Similarly, to reduce costs, consumer-
facing companies across industries have significantly consolidated over time, eliminating ‘capacity as a way to bolster prices and profitability’.47

THE IMPACTS OF NEW TECHNOLOGIES ON WORKERS’ RIGHTS

During the pandemic, consumers turned to online grocery shopping, which was a leading cause of the overall increase in food retailer sales.48 Disappointingly, this sustained increase in sales – even coupled with an increase in consumer prices – has not yet led to a reduction in price pressure on suppliers. US supermarkets claim that the increase in sales via e-commerce has not translated into a significant increase in profits due to their reliance on third-party platforms for customer fulfilment.49

Online shopping platforms are just one example of how big industry is using tech innovation to maximize their profits and productivity – as the trend toward greater automation is not limited to online shopping. Increasingly, companies across sectors are employing algorithms to guide the management of their workforces, leading to an intensification of work and a subsequent increase in efficiency and productivity, and a decrease in the quality and conditions of work (such as unpredictable scheduling and increased health and safety risks). This includes increases in strain for workers as they struggle to reach auto-generated targets that are set without human sensibility or understanding.50

Consequently, workers feel increased pressure or anxiety to push themselves physically in a manner that may not be safe or healthy, because of the intense workplace surveillance. Algorithms and electronic monitoring have also begun to dictate shift scheduling, creating both excessively rigid and inconsistent employee schedules that do not allow workers to plan for caregiving responsibilities or use their off-duty time as they see fit.51

Table 2: Implications of the use of new technologies for human rights and workers’ rights

| Discrimination | Algorithmic bias, particularly in the hiring of low-paid workers, is well-documented.52 |
| Health and safety risks | Excessive monitoring of worker movements leads to an increase in worker safety incidents and takes a significant toll on the mental health of workers, who are directed on the basis of often unreasonable and inhumane working expectations.53 |
| Deskilling in the name of maximizing efficiency | Data-driven technologies are used to routinize workplace activities and break them into smaller, more basic tasks in a manner that both oversimplifies the jobs workers are tasked with and creates an impression that they require less skill than they actually do, leading to decreased wages and opportunity for upward mobility.54 |
| Increase in precarious work | These technologies facilitate remote management and monitoring of workers, making cost-saving outsourcing, third-party hiring of temporary or part-time workers and ‘just-in-time’ scheduling practices all the more practicable.55 And, as illustrated in Table 1, this has resulted in unsustainable and precarious work. |
The real-life manifestations of these applications of technology are increasingly untenable for the workers subjected to them. Here, we give just a few examples of the conditions this tech trend is precipitating for workers:

- Warehouses and distribution centres use electronic monitoring and algorithmic management tools to manage inventory and staff – for example, using ‘handheld or wearable product barcode scanners’ to track worker movements.56
- Third-party grocery delivery platforms are ‘monitoring workers and calculating metrics on their speed’ as they fill orders.57
- Third-party hiring company HireRight data mines job candidates’ personal social media accounts ‘to predict the risk that job candidates may be whistle-blowers’ or engaged in organizing activities.58

INCREASED INVESTOR ATTENTION ON THE ‘S’ IN ESG REPORTING

More investors are seeking to improve their understanding of human rights risks at the companies in which they are investing. Investor advocacy efforts led to increased investor awareness of and demand for greater accountability around issues of workers’ rights and human rights, and indicate a ‘surge in investor support for resilient supply chains and labor rights’.59

By way of just a few significant examples:

- 50 investors managing more than $3 trillion signed an Oxfam Investor Statement supporting the Behind the Barcodes campaign.60
- 139 investors signed up to the Workforce Disclosure Initiative asking companies to report on the quality of jobs in their supply chains.61
- More than 300 institutional investors (managing >$9 trillion in assets) called on companies to provide paid sick leave and prioritize the health and safety of their workers as an essential part of reducing risk/safeguarding long-term financial value.62

This trend is evolving to include investor demands for increased issuer reporting and disclosures on their current human rights due diligence (HRDD) policies and practices. According to the Business & Human Rights Resource Centre, in 2020 and 2021, shareholders voted in favour of Oxfam’s HRDD proposals at previously unseen levels, most likely due (at least in part) to the pandemic highlighting ‘…the financial toll companies pay when they ignore workers’ rights, community impacts, and the importance of resilient supply chains’.63
Here is a small sampling in 2020 and 2021:

- 46% of shareholders at Kroger support HRDD disclosure.64
- 65% independent vote support HRDD disclosure at Pilgrim’s Pride.66
- 39% independent vote support for conducting human rights impact assessments on high-risk commodities at Amazon.67
- 26% independent vote support for proposal to put a worker on the board at Amazon – the highest level of support among any similar proposal in the past.68

Importantly, even where a resolution does not pass, the proposals and advocacy surrounding them – and, ultimately, the holding of a shareholder vote – appear to be persuading at least some issuers to take meaningful steps toward adopting increased HRDD measures. Winning a large, even non-majority percentage of a shareholder resolution vote can also trigger heightened scrutiny of a particular issue by proxy advisers.69

After Oxfam filed a shareholder resolution urging Amazon to address human rights risks in its supply chains by adopting HRDD measures, in May 2020 Amazon announced new human rights commitments, including a commitment to conduct a human rights impact assessment in a key supply chain. It followed through on this commitment, conducting its first such assessment late last year.70

Sometimes, investor engagement with issuing companies is enough to move the needle even in the absence of a shareholder vote. Large-scale institutional asset managers and owners are increasingly expecting executive-level engagement on and understanding of human rights policies and practices. While shareholder activism as a means of advancing greater respect for workers’ rights and human rights throughout global food supply chains may be the subject of fair criticism, numerous Oxfam allies interviewed for this report spoke to its utility as an awareness-raiser that advances incremental change over time.71 And the increased emphasis from civil society and others on investor ESG considerations is leading to early, incremental changes at the investor level in the form of cross-industry initiatives.

On the other hand, ESG reporting is currently constrained by the fact that it is inherently voluntary and focused exclusively on disclosure. Issuers also tend to overemphasize environmental considerations. Some civil society advocates also see it as a matter of scale and resist the idea that the slow and incremental awareness-raising that has come to characterize ESG disclosure and reporting will ever be capable of the type of transformative change needed to eradicate the most severe problems of our global food systems, such as forced labor. However, this situation could change due to ongoing efforts. For instance, in the US, the Securities and Exchange Commission is expected to announce new disclosure rules for public companies on ESG-related matters, including enhanced climate and human capital management disclosures.72
TREND TOWARD MANDATORY HUMAN RIGHTS DUE DILIGENCE IN THE EUROPEAN UNION AND NORTH AMERICA

Almost all the stakeholders interviewed by Oxfam for this report pointed to the urgent need for comprehensive mandatory human rights due diligence legislation to ensure improved conditions for the workers who produce the world’s food. A robust framework for human rights due diligence, operationalized in practice, is one way to better prepare for and mitigate the risk of such scandals in the wake of future global crises.74

Mars, Unilever, Mondelēz, Nestlé and even massive German food retailer Aldi announced their support for the EU’s framework on mandatory human rights and environmental due diligence in a public letter dated September 2020.75 Although they declined to support a subsequent letter in support of mandatory human rights due diligence legislation that would have included liability in addition to disclosure responsibilities, their support is still significant.76 Moreover, a recent draft text has cast significant doubt about the scope and impact of this proposal.77

The regulatory landscape in Canada and the US appears even less robust. There is little discussion of comprehensive mandatory human rights due diligence legislation in the US and little belief that the passage of such legislation would be politically feasible anytime soon, although there is more optimism around regulatory action to prevent forced labor, in both countries. Such forced labor legislation could move the needle by incentivizing companies to implement due diligence practices that could have an impact on broader human rights issues as well.

Between 2016 and 2021, the US re-invigorated its enforcement of Section 307 of the US Tariff Act, with a significant increase in withhold release orders, particularly in 2020, for goods suspected of being made using forced labor.78 This generated a wave of interest and engagement as a major area of concern for corporate compliance functions across industries.79 Some stakeholders also reported recent moves by US Customs and Border Protection to withhold entire fleets’ shipments of seafood from South-East Asia based on evidence of forced labor regarding a single vessel, because it can be deduced that if one vessel utilizes forced labor, then the practice is likely implicated across the fleet.80 Issuing withhold release orders not only provides a deterrent effect, but also leads to increased transparency and traceability around supply chains that utilize forced labor.81

“As we recover and rebuild, we recognize the need for new binding standards which benefit all and promote sustainability. Mandatory human rights and environmental due diligence is key to ensure that efforts by companies that respect people and the planet, both during and post COVID-19 recovery, are not undercut by the lack of a uniform standard of conduct applying to all business actors.”73
3. PROGRESS AND PITFALLS IN RETAILER POLICIES AND PRACTICES

The trends outlined in the previous section, both entrenched and emerging, highlight the urgency and importance of a fairer, more equitable and resilient approach to feeding the world. They also highlight just how far we are from achieving that approach across global food supply chains. This section highlights some examples of those powerful changes from certain UK and European retailers. It then provides an overview of some of the most glaring gaps that remain in US company policies and practices for addressing workers’ rights, gender equality and human rights due diligence.

NOTABLE UK AND EU RETAILER MILESTONES

While retailer changes worldwide have been slow and incremental, there are a few examples of leadership from across the pond that US supermarkets could look to as a model for what is feasible in the immediate term. While these notable policies and commitments represent significant milestones (see Table 3), they must eventually be integrated across the entire business model of a company – so that the root causes of labor exploitation can be addressed.

Table 3: Recent UK and EU retailer milestones

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<th>Human rights due diligence</th>
<th>Workers’ rights</th>
<th>Gender justice</th>
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<td>• Albert Heijn, a Dutch subsidiary of Ahold Delhaize, and then Jumbo were the first to publish HRDD policies (including commitments to publish human rights impact assessments (HRIAs) focused on women, workers and farmers) in 2019.</td>
<td>• In 2020, Morrisons and Sainsbury’s joined Tesco, Rewe, and Lidl in recognizing that ‘legal minimum wages are almost never enough for workers to meet basic living costs’. They also committed to publishing their progress toward measurable living wage benchmarks.</td>
<td>• In 2020, Tesco, Lidl and Morrisons joined Sainsbury’s in its commitment to track the number of women in key supply chains. Tesco also announced it was developing action plans to ‘improve representation’. Most recently, it launched a new Gender Equality Supply Chain Strategy.</td>
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<td>• In April 2020, Lidl followed suit and published an HRDD policy in line with Oxfam’s Workers’ Rights Recommendations and committed to conducting 3 HRIAs each year until</td>
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<td>2025, 83, 84</td>
<td>It then became the first retailer to publish its HRIA in Lidl’s Kenyan tea supply chains, in December 2020.95</td>
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<td>Tesco, Morrisons, Aldi South and Sainsbury’s</td>
<td>have also made commitments to undertake HRIs. In February 2021, Tesco had already published a HRIA focusing on workers’ rights and gender equality in their Vietnam prawn supply chain.96</td>
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<td>German supermarkets Rewe, Aldi and Lidl are also now selling products where they pay the Fairtrade Living Income Reference Price.</td>
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<td>violence against women and unpaid care work are underlying causes of inequity for women workers.99</td>
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<td>In November 2021, Lidl committed to conducting 3 HRIs a year and publishing the full results and findings, most recently publishing its HRIA on Colombian bananas, in November 2021.91 At the same time, Aldi North, Sainsbury’s, and Morrisons also committed to undertaking HRIs focused on women, workers and farmers.92</td>
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<td>In late 2019, Dutch retailers Albert Heijn, Jumbo and PLUS joined The Sustainable Trade Initiative’s (IDH) effort to close the gap between ‘currently paid wages and the living wage for the entire banana sector’ by at least 75% (using IDH’s Salary Matrix) in just five years.93</td>
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<td>In 2022, Albert Heijn, Aldi North/South, Jumbo, Lidl, Rewe, Sainsbury’s and Tesco have significantly improved their scores on the gender theme in response to Oxfam’s campaign. All have commitments and policies in place to tackle gender equality in their supply chains.95</td>
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Finally, while none of the supermarkets had published a supplier list in 2018, supply chain transparency is starting to become the norm rather than the exception. During 2021 to 2022, Albert Heijn, Jumbo, PLUS, Morrisons, Sainsbury’s and Tesco published their first-tier suppliers. Jumbo and Lidl have gone a step further by publishing names/addresses of all tiers in at least three high-risk supply chains.
GAP ANALYSIS OF US BEHIND THE BARCODES RETAILERS’ ACHIEVEMENTS IN THE LAST YEAR

There are a couple of early signs of progress on the US front (see Table 4 for more details).

• **Amazon**, parent company of Whole Foods, recently conducted its first human rights impact assessment (HRIA) (following an Oxfam shareholder resolution calling on the company to adopt a human rights due diligence approach). In 2019, it released its first Human Rights Principles and Supplier Map, together with new information on how it is working with multi-stakeholder initiatives and sustainability partners. In June 2021, Amazon published a sustainability report that aligns its policies and commitments with those of the UN Guiding Principles on Business and Human Rights and the ILO, and it published a synopsis of its first HRIA. At the end of 2021, Amazon announced it was signing up to the Women’s Empowerment Principles.96

• In mid-2021, Kroger published a new Statement on Human Rights that made sweeping commitments on human rights due diligence. These include the publication of a human rights gap analysis, conducting HRIAs (and publishing the results), and developing and implementing an action plan in response to those findings. Most recently, in February 2022, the company published a Human Rights Progress Report that announced the development of a human rights due diligence framework (including a roadmap for its implementation), an update of the company’s Vendor Code of Conduct and its commitment to improve gender equality in its own operations and supply chains.

The following gap analysis of five of the largest US retailers targeted as part of Oxfam’s Behind the Barcodes campaign provides some insights into the overall status of the US food industry. It reviews significant gaps between the existing policies of US food retailers and their responsibilities pursuant to the United Nations Guiding Principles on Business and Human Rights, various ILO conventions, and selected Sustainable Development Goals (SDGs), with a particular emphasis on developments in the past two years.97

<table>
<thead>
<tr>
<th>Gap analysis</th>
<th>Oxfam’s recommendations</th>
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<tbody>
<tr>
<td><strong>Supplier codes of conduct</strong></td>
<td>• Instead, companies should require compliance with the standards in their supplier codes and make those requirements conditions for the supplier contracts.</td>
</tr>
<tr>
<td>• The language utilized in company supplier/vendor codes of conduct tends to be suggestive, connoting that compliance is voluntary or ‘expected’ rather than mandatory.</td>
<td>• Companies should also state that the provisions in those codes apply to suppliers at all levels of their supply chain (i.e., including secondary and tertiary suppliers).</td>
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<tr>
<td>• They can also be overly reliant on local laws that may not capture all protections guaranteed by international human rights standards.</td>
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</table>
**Human rights due diligence (HRDD)**

- Most retailers continued to rely heavily on audits and have not presented a meaningful rights-holders engagement strategy or commitment.
- Most retailers have failed to adopt meaningful HRDD frameworks for the identification, prevention and mitigation of human rights risks, including the conduct of HRIAs, development of action plans to address their findings, and implementation of meaningful grievance mechanisms.
- Where companies have implemented such policies and practices, they often fail to explain their process or publish their full findings and how they are engaging or have engaged with rights-holders.
- Retailers should transparently explain how and why they prioritize certain risks in the conduct of their HRIAs. The HRIA process should include robust consultation with local stakeholders and support a community-based approach.
- Retailers must also develop meaningful grievance mechanisms that apply across the companies’ supply chains and provide for remedies where harms are identified.
- Finally, the complete findings of HRIAs (not just summaries), action plans and grievance mechanisms should be published.

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**3. Gender justice**

- All of the companies evaluated lack a sufficient focus on gender inequities generally across their supply chains, and the gender pay gap specifically. None have published gender equality policies.
- Retailers across the board need to strengthen their focus on gender throughout their HRDD frameworks and should adopt and publish comprehensive and measurable gender policies that apply to suppliers and their employees.

---

**4. Workers’ rights**

- All companies could do more to ensure that their suppliers are respecting workers’ rights, particularly migrant workers and other workers in precarious situations.
- Specifically, companies should:
  - Pay all workers a regular living wage.
  - Provide employees with written terms and conditions of employment and ensure that workers are fully informed of these conditions before signing a contract.
  - Provide sick leave and maternity support.
  - Engage local workers’ organizations, women’s rights organizations and labor unions.
  - Support freedom of association/collective bargaining and prioritize suppliers that have a unionized workforce.

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In addition to these sector-wide gaps, the tables that follow highlight notable progress as well as persisting gaps at five major US retailers: Albertsons Companies, Costco, Kroger, Walmart and Whole Foods.
## Albertsons Companies

<table>
<thead>
<tr>
<th>Issue area</th>
<th>SDG</th>
<th>ILO standard</th>
<th>Notable company progress</th>
<th>Notable company gaps</th>
</tr>
</thead>
</table>
| **HRDD**  | SDG 1-3, 5, 8, 10, 12 | Convention (C)29 C87 C98 C188 C190 | - Albertsons has a two-page Vendor Code of Conduct that utilizes ‘shall’ language but is very narrowly tailored to existing requirements under law and makes no reference to international human rights standards.  
- It also has a document, Supplier Sustainability Guidelines and Expectations, which references human rights. But it appears to apply only to its own brands, focuses primarily on palm and seafood, and uses language such as ‘expects’ and ‘encourages’.  
- The company audits some suppliers for compliance, although it is unclear which suppliers, and on what basis.  
- The company reported that it conducted HRIAs with Fresh, Frozen and Sushi vendors in 2021.99 | - It does not appear that Albertsons has a human rights policy or any similar policies or that it has conducted or committed to conduct any full HRIAs.  
- Oxfam located only one page of the company’s website that refers to human rights and it makes no reference to the UN Guiding Principles, ILO provisions or other international human rights standards and appears to date from 2014 or 2015.  
- In its document, Eliminating Human Trafficking and Forced Labor [2015], Albertsons discusses an ethics hotline available for all employees to anonymously voice their concerns about issues in the workplace. However, there are many shortcomings with hotlines (language barriers, accessibility for supply chain workers and lack of follow-up/transparency). Albertsons needs to better align its grievance mechanisms with the UN Guiding Principles criteria.  
- The company needs to publish its complete HRIA findings and extend its risk assessments towards other high-risk supply chains beyond seafood. |
| **Gender justice** | SDG 5 | C100 C111 C190 | - Albertsons is a signatory to CEO Action for Diversity & Inclusion – the pledge aims to rally the business community to advance diversity and inclusion in the workplace.100 | - It does not appear that Albertsons is addressing gender equality in any sort of systemic way in its global supply chains. The only reference to gender being non-discrimination in its direct employment practices [which is largely required by law].101  
- Albertsons appears to still lack a gender equality policy and neither conducts nor has announced a plan to conduct regular gender impact assessments / HRIAs using a gender lens.  
- It has not signed up to the Women’s Empowerment Principles. |
| **Workers’ rights** | SDG 1-3, 8, 10 | C188 | - Albertsons published its Responsible Seafood Policy and Commitment, which outlines its commitment to sustainable and ethical seafood sourcing, including policy statements on illegal fishing, at-sea transhipment and social responsibility.102 | - Albertsons needs to adopt a broader workers’ rights policy that addresses specific human/labor rights issues in its global supply chains. It needs to extend its policy commitments beyond seafood products.  
- Albertsons fails to address the issue of freedom of association and collective bargaining in its policies.  
- It does not appear that Albertsons has made a commitment to pay a living wage to supply chain workers. |
## Costco

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<th>Issue area</th>
<th>SDGs</th>
<th>ILO standards</th>
<th>Notable company progress</th>
<th>Notable company gaps</th>
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</table>
| **HRDD**         | SDG 1-3, 5, 8, 10, 12 | C29, C87, C98, C188, C190 | • Costco states that it recognizes ‘the importance of respecting human rights throughout our supply chain and live[s] by our Supplier Code of Conduct in how we approach our business. This Code is global in its scope, and applies to all suppliers and their facilities, as well as to Costco-owned manufacturing facilities. To align with international standards, it is derived from the policies, standards, and conventions of the United Nations and the International Labor Organization.’
• Costco’s Supplier Code of Conduct utilizes ‘supplier shall’ language, rather than the less mandatory ‘expects’ or ‘encourages’ that often prevails. Costco audits certain suppliers’ compliance with the code; suppliers are identified for audit based on their determined risk. | • Costco does not reference or agree to abide by the UN Guiding Principles in its Supplier Code of Conduct or elsewhere.
• The company has yet to publish a comprehensive human rights due diligence policy or conduct, commit to conduct or publish HRIAs of any of its supply chains.
• Costco has a global confidential ethics hotline that is available for use by employees and other stakeholders of its suppliers. It appears, however, that it may only be available through an online platform and in only a few languages. It appears this is the company’s only grievance mechanism and that it lacks any corporate policies regarding grievance mechanisms or remedies for rights violations.
• The quantity of information publicly available on the company’s website is very limited and does not enable Oxfam to affirm that the company is engaging in meaningful HRDD process.
• To improve its approach to rights-holders, Costco should develop a Stakeholder Engagement Strategy, defining who they engage with, when they engage and how, with the various groups. The strategy must include specific attention to women and other vulnerable groups. |
| **Gender justice** | SDG 5   | C100, C111, C190 | NIL                                                                                                           | • Costco does not appear to be addressing gender equality in any sort of systemic way.                    |
• It appears to lack a gender equality policy and neither conducts nor has announced a plan to conduct regular gender impact assessments/HRIAs using a gender lens.
• It has not signed up to the Women’s Empowerment Principles. |
| **Workers’ rights** | SDG 1-3, 8, 10 | C188 | • Costco is a member and active financial supporter of the Equitable Food Initiative (EFI), which seeks to improve labor practices in fresh produce. ’Costco pays a premium for this EFI-certified produce, to directly compensate farm workers for the extra effort they provide. Costco is also the largest payer of the EFI premiums, with 87% going | • Costco has a very limited number of policies covering human rights and labor rights. It has not committed to complying with the UN Guiding Principles or the core international human rights instruments.
• Costco fails to address the issue of freedom of association and collective bargaining in its supply chain, especially on how it supports/prioritizes suppliers that have a unionized workforce. |
directly to farm workers and totalling over $11.8 million since 2014.105

- Costco is also a founding member of the Seafood Task Force (STF) and its Vice President serves as Chair.106
- Costco has a clear policy on freedom of association and collective bargaining in its Supplier Code of Conduct: ‘Employees who wish to join or not join trade unions and to bargain collectively shall not be interfered with, penalized, or retaliated against. Employees shall not be discriminated against based on such associations.’107 The company has more than 15,000 unionized workers.108

- Costco does not communicate or collaborate with local workers’ rights organizations to address the issues raised in their supply chains and does not share steps taken nor communicate the results of its due diligence and any measures taken.
- Costco should improve grievance mechanisms and support suppliers and vendors to do the same and communicate on the status of grievances and actions taken.
- It does not appear that Costco has made a commitment to pay a living wage to workers in its supply chains.
<table>
<thead>
<tr>
<th>Issue area</th>
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<th>Notable company gaps</th>
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| HRDD       | SDG 1-3, 5, 8, 10, 12 | C29, C87, C98, C188, C190 | Kroger published an updated Statement on Human Rights, which includes the following commitments on HRDD: 109
- Conduct and publish a human rights gap analysis, updated framework and policy with action plan and progress update, by late 2021.
- To conduct and publish 3 HRIAs that include gender analysis and local stakeholder input, in 2022 and 2023.
- To closely monitor the results of virtual audits and worker voice surveys.
- Kroger ensures supplier compliance with its Vendor Code of Conduct through audits. 110
- In February 2022, Kroger published a Human Rights Progress Report that announced the development of an HRDD framework and roadmap and an update of its Vendor Code of Conduct. 111 | To date, most of the information shared publicly regarding beneficial sourcing practices relate to the environmental sustainability of Kroger’s seafood, egg and pork supply and fail to mention the human rights practices or risks at the supplier level. 112
- The Vendor Code of Conduct utilizes ‘will comply’ language, which is stronger than voluntary ‘expect’ language, but it is rather brief and is not as comprehensive as it could be, although Kroger noted that it is revising the code.
- It is unclear which suppliers/supply chains are included in the social compliance audits and/or how those decisions are made.
- Kroger relies on a hotline as its only form of grievance mechanism. It is unclear how many languages this supports and/or how its availability is made known to employees and other stakeholders of suppliers. 113 Kroger should disclose information about the process for grievances and results.
- Kroger should engage local workers’ and women’s rights organizations and labor unions as part of its HRIA process. |
| Gender justice | SDG 5 | C100, C111, C190 | In its recent Human Rights Progress Report, the company stated that it will ‘aim to include a more specific focus on gender equality issues in our future human rights work in 2022’. 114 | Kroger does not currently have a comprehensive gender policy for its own operations and supply chains. The only reference to gender being non-discrimination in its direct employment practices (largely required by law).
- It has not signed up to the Women’s Empowerment Principles. |
| Workers’ rights | SDG 1-3, 8, 10 | C188 | Kroger states that approximately 66% of its in-store direct employees ‘are covered by collective bargaining agreements negotiated with local unions’. 115 | Kroger’s public human rights and sustainability materials make no mention of similar efforts to encourage collective bargaining rights and organized labor throughout their supply chains – i.e., at the supplier level.
- It does not appear that Kroger has made a commitment to pay a living wage to workers in its supply chains. |
## Walmart

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<th>Issue area</th>
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<th>ILO standards</th>
<th>Notable company progress</th>
<th>Notable company gaps</th>
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</table>
| HRDD       | SDG 1-3, 5, 8, 10, 12 | C29 C87 C98 C188 C190 | • Walmart’s updated Human Rights ESG report (2021) identifies and discloses its most salient human rights risks.  
• Walmart seems to be increasingly integrating the concepts of the UN Guiding Principles in its approach, using terminology such as ‘saliency’, ‘severity’ and ‘likelihood’ of human rights impacts.  
• Walmart’s 2018 Human Rights Statement provides for grievance mechanisms that include its anonymous ethics hotlines. These mechanisms are available to workers (across the company supply chain), communities where the company operates and others. Facilities producing for Walmart private brands are required to post signage in the local language that details how to access the mechanism, but there is no mention of how other suppliers’ workers can access it.  
• Walmart makes grievance mechanisms available to its ‘associates, workers in the supply chain, and groups interested in raising concerns on individuals’ behalf’ in the forms of its helpline via a local phone line, global email address and website available in 13 languages. Phone lines are provided in 62 countries.116, 117 | • Once the risks are identified, the company must dig deeper and identify human rights impacts in its supply chain.  
• To engage in meaningful HRDD, Walmart must continue to move away from social audit processes. Social audits have proven their limits and will not enable a thorough assessment of all potential impacts beyond the facilities, nor do they allow for the required level of rights-holder engagement.  
• Walmart does not appear to be conducting or to have committed to conducting regular HRIAs, which are a crucial first step in meeting its HRDD requirements under the UN Guiding Principles.118  
• Walmart does not specify how grievances that are reported are evaluated and addressed. It should improve transparency about the grievance process and examples of grievances.  
• To improve its approach to rights-holders, Walmart should develop a Stakeholder Engagement Strategy, defining who they engage with, when they engage and how the company engages with the various groups. The strategy must include specific attention to women and other vulnerable groups. |
| Gender justice | SDG 5 | C100 C111 C190 | • According to the 2020 scorecard, Walmart has committed to increasing its sourcing from women producers/processors and to regularly report progress, and it provides examples of its support to suppliers.  
• In Walmart’s Human Capital ESG Brief 2022, the company | • Although Walmart recognizes some of the root causes of gender inequity in supply chains, the company needs to take action to systemically address these gaps. We encourage Walmart to expand its pay equity analysis to cover its global supply chains and disclose the findings in full once they are available.  
• Walmart still lacks a gender equality |
states that it has conducted pay equity analysis in the US, which confirms that, taking into account relevant factors such as position, tenure and location, Walmart pays associates equitably regardless of race, ethnicity and gender.\textsuperscript{119}

policy and neither conducts nor has announced a plan to conduct regular gender impact assessments/HRIAs using a gender lens.

- Walmart has not signed up to the Women’s Empowerment Principles (although it appears its local subsidiaries in Brazil and Chile may have done so).

| Workers’ rights | SDG 1-3, 8, 10 | C188 | • Walmart assessed more than 14,000 third-party audit reports of working conditions at supplier facilities in 2021.\textsuperscript{120}  
• Walmart is investing in programs working to end forced labor in certain supply chains with the Seafood Task Force (including co-funding a pilot initiative with Verité and The FAIR Hiring Initiative focused on the South-East Asian seafood industry).\textsuperscript{121} |
| --- | --- | --- | --- |
| • It does not appear that Walmart has made a commitment to pay a living wage to workers in its supply chains.  
• Walmart’s Standard for Suppliers states that it expects suppliers to ‘recognize freedom of association and collective bargaining’ as well as the rights to join an employee association or trade union in accordance with applicable law and practice. Walmart should demonstrate how it supports/prioritizes suppliers that have a unionized workforce.  
• It does not appear that anything has changed since 2020, aside from training on labor rights. The company does not report on actions to remove barriers to collective bargaining or any meaningful engagement with trade unions. There are no incentives provided to suppliers to promote freedom of association. |
### Whole Foods

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<th>ILO standards</th>
<th>Notable company progress</th>
<th>Notable company gaps</th>
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</thead>
</table>
| HRDD       | SDG 1-3, 5, 8, 10, 12 | C29 C87 C98 C188 C190 | • In January 2020, Whole Foods adopted the Amazon Supplier Code of Conduct and signed a joint advocacy letter with Oxfam to urge the US Department of Labor to act on forced labor in the global fishing industry.  
• Whole Foods specifies on the human rights page of its website and in its Supplier Code that all products must be produced in a manner that complies with the UN Guiding Principles, all relevant ILO conventions and the UN Universal Declaration of Human Rights.  
• Amazon, Whole Foods’ parent company, has also committed to avoiding a ‘cut and run’ policy, instead working with suppliers to deliver improvements – e.g. requiring that no recruitment fees be paid by workers, including suppliers’ workers. | • Whole Foods has yet to publish a comprehensive HRDD policy or conduct, commit to conducting or publish HRIAs of any of its supply chains.  
• Whole Foods does not provide a sufficient grievance mechanism or policy for remedy where necessary. It passes the costs entirely to suppliers to handle grievances down the supply chain, stating that its ‘suppliers are required to create a mechanism for workers to submit their grievances in a confidential and anonymous manner and maintain an effective process to investigate and address worker concerns’. |
| Gender justice | SDG 5 | C100 C111 C190 | • In December 2021, Amazon announced that it is signing up to the Women’s Empowerment Principles (which presumably binds its subsidiaries, including Whole Foods). | • Whole Foods appears to still lack a gender equality policy and neither conducts nor has announced a plan to conduct regular gender impact assessments / HRIAs with a gender lens. |
| Workers’ rights | SDG 1-3, 8, 10 | C188 | • Whole Foods has partnered with the Equitable Food Initiative and features their certified products like strawberries in its stores through its Sourced for Good programme. The programme also features products certified by third-party labels including Fairtrade America, Fair Trade USA, and Fairfood to improve wages and provide healthcare. | • Although the Sourced for Good program aims to support workers, communities and the environment, it is limited to certain products, and it is very unclear what measures are taken with regard to other supply chains.  
• We expect Amazon to uphold its recent commitment on freedom of association and collective bargaining, and Whole Foods should be more explicit about its position on trade union engagement, including its efforts to ensure that suppliers respect workers’ rights to collectively negotiate for pay and benefits.  
• It does not appear that Whole Foods has made a commitment to pay a living wage to workers in its supply chains. |

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1 As a wholly owned subsidiary of Amazon.com, Inc., Whole Foods adopted Amazon’s code of conduct, which includes a commitment to respect human rights. The code covers labor rights, non-discrimination, health and safety and land. Thus, Oxfam’s gap analysis includes a review of Amazon’s supply chain policies.
4. A ‘JUST RECOVERY’ AGENDA FOR THE FOOD RETAIL INDUSTRY

Back in June 2018, Oxfam launched the first Behind the Barcodes publication to expose the root causes of entrenched inequality in food supply chains. We argued then that the moment was ripe for change – and food retailers needed to act urgently. More than three years later, all the alarm bells raised have become a new reality for US and global retailers. The rights of women, workers and farmers must now be fully integrated into how companies run their operations and source their products. Individual commitments and sector-wide solutions from leading US supermarkets are long overdue – a just, human-centred and sustainable path is not only crucial but becomes a matter of survival.

WHAT IS A ‘JUST RECOVERY’?

The Behind the Barcodes campaign began with a premise of ‘unequal portions’ that define our problematic global food system. The combination of unequal power and disproportionate distribution of value across food supply chains has made already marginalized populations – women, migrants, farmers and other low-income food workers – all the more vulnerable to global crises such as the COVID-19 pandemic and climate change. There must be a rebalancing of the distribution of value and power across global food supply chains to ensure greater resilience not only of the people who make, fish and farm our food, but also of the entire system itself.

A ‘just recovery’ must prioritize key issues over immediate return on investment for the retail industry (see Figure 1).

HOW MIGHT WE REALIZE THIS ‘JUST RECOVERY’ AGENDA?

All stakeholders have a vital role to play in ensuring a ‘just recovery’ and must take action.
FOOD RETAIL COMPANIES MUST:

- ‘Walk the talk’ and fundamentally change their procurement practices. Companies should incorporate their own human rights and labor rights standards (for example, no forced labor, payment of a living wage, measures to ensure gender equality, etc.) into their buying agreements (such that not only timely delivery of goods and price are considered when purchase orders are issued) and make their supplier codes of conduct mandatory. Companies should also ensure that they are not placing unreasonable pricing pressure on their suppliers that might effectively force those suppliers to adopt exploitative worker practices.

- Tie key performance indicators, other relevant management systems, year-end reviews and bonus compensation (particularly for company executives) to the company’s performance on ESG criteria in order to implement change at the operational level of the company.

- Adopt and implement the human rights due diligence (including human rights impact assessments and grievance mechanisms), gender justice and workers’ rights policies identified in this report (see Table 4, gap analysis).

- Prioritize gender justice in all their human rights and social sustainability policies, procedures and practices. Companies must also ensure that they publish gender-disaggregated data, both in their own operations and for high-risk products in their supply chains, and regularly report on progress to close gender pay gaps.
• Increase supply chain transparency by disclosing the entire food supply chains, starting with their first tier. US companies continue to lag behind on this, as many EU and UK companies are starting to disclose their list of suppliers.

• Implement a cultural shift in how they view and engage with labor, from regarding it as a cost to be minimized to a holistic understanding of workers as rights-holders with caregiving obligations outside the workplace, as well as being important stakeholders with great potential to contribute to a company’s success. This includes embracing, not obstructing, the role of workers’ unions and advocates, including supporting the right to organize, in representing the needs and voices of workers. US retailers should rely on insights that workers and their union representatives can bring to navigate complexity in workplaces and supply chains, rather than seeking to intimidate them with retaliatory measures. They should also abandon exploitative practices aimed at keeping workers in precarious working conditions through poverty wages, limited benefits, poor health and safety measures, and unpredictable schedules.

GOVERNMENTS AT ALL LEVELS MUST:

• Adopt comprehensive, measurable and enforceable mandatory human rights due diligence reforms, with the ultimate goal of a transnational compliance.

• Invest smarter to build back better. Humanitarian aid provided by governments, institutional donors or private entities in the wake of the pandemic should be channelled directly to local communities, not funnelled through corporations. Economic stimulus funds should be allocated to the creation of fair-paying jobs to empower workers.128

• Provide social protection funds to create a safety net for workers in the countries that produce the goods the world consumes.129 These jobs should be geared toward creating a level of resilience that was proved lacking with the onset of the pandemic.130

• Increasingly fund capacity-building efforts for local and national NGOs to strengthen their ability to closely monitor and evaluate ESG disclosures and reporting, thereby providing a sufficient enforcement mechanism to ensure accountability.

LARGE-SCALE INSTITUTIONAL INVESTORS AND FUND MANAGERS MUST:

• Work with expert stakeholders such as civil society organizations and unions toward a robust set of ESG questions and criteria that companies can measure and report on.131 This will allow NGOs to monitor that reporting effectively, as well as encouraging more robust compliance and reporting by suppliers.132

• Engage in robust and meaningful dialogues with local communities and other rights-holders impacted by global food production to better understand the impacts of the business in which they invest.
• **Align human rights policies and commitments with the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises** and factor them into investment decisions and proxy voting.

• **Adopt a comprehensive and transparent human rights due diligence process across their investment portfolios** and make performance on human rights and gender equality a central tenet in the selection, engagement, oversight and review of fund managers and/or business partners.
5. CONCLUSION

Oxfam’s Behind the Barcodes campaign amplifies an urgent message: **the food retail industry is not delivering for the women, workers and farmers who produce our food.** Farmers’ share of the retail value of food products has decreased by 44% over the past two decades. This sharp decrease in the share of value received by the people who actually produce the food that we consume has in turn entrenched extreme poverty, gender inequality and, in some cases, even slavery in those very communities. To address this problem, the world’s largest and most profitable retailers need to remake the global food system into one that no longer perpetuates poverty by prioritizing profits over people.

For more than 20 years, Oxfam has been engaging with food companies at all levels of global food value chains to tackle inequities in how value is distributed across those chains and to end the entrenched inequality and exploitation behind the food we eat, and yet many market leaders continue to resist leadership on human rights. But it does not have to be this way. Food companies and retailers can work together to take a higher road to resilience and sustainability, with a vision of stakeholder capitalism that centres on communities and rights-holders over profits.

**One important consensus has emerged since the onset of the pandemic: businesses have a duty to think beyond maximizing profits.** Companies, especially consumer-facing supermarkets, are important institutions shaping the societies we all live in. Albertsons Companies, Costco, Kroger, Walmart and Whole Foods/Amazon have the power to transform how people work, what consumers buy, and the kind of global supply chains people work in. The world cannot afford another missed opportunity for the retail industry to finally make the fundamental changes needed to create a fairer, more equitable and more resilient food system. Corporate leaders must no longer just engage in cheerful talk about corporate purpose and responsibility; they must now make hard choices about putting principles into practice and lead others to do the same.
APPENDIX 1. INTERNATIONAL HUMAN RIGHTS AND WORKERS’ RIGHTS STANDARDS REFERENCED IN US RETAILER GAP ANALYSIS

SUSTAINABLE DEVELOPMENT GOALS (SDGS):

SDG 1. End poverty in all its forms everywhere.

SDG 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

SDG 3. Ensure healthy lives and promote well-being for all at all ages.

SDG 5. Achieve gender equality and empower all women and girls.

SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

SDG 10. Reduce inequality within and among countries.

SDG 12. Ensure sustainable production and consumption patterns.

INTERNATIONAL LABOR ORGANIZATION (ILO) PROVISIONS:

C29 – Forced Labor Convention (1930)

C87 – Freedom of Association and Protection of the Right to Organise Convention (1948)

C98 – Right to Organise and Collective Bargaining Convention (1949)

C100 – Equal Remuneration Convention (1951)

C111 – Discrimination (Employment and Occupation) Convention (1958)

C188 – Work in Fishing Convention (2007)

C190 – Violence and Harassment Convention (2019)
APPENDIX 2: LIST OF STAKEHOLDERS INTERVIEWED

The following is a comprehensive list of stakeholders interviewed as part of this research.

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Role/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Alice Lucas</td>
<td>Fairtrade Foundation</td>
<td>Policy and Advocacy Manager</td>
</tr>
<tr>
<td>2) Alistair Smith</td>
<td>BananaLink</td>
<td>International Coordinator</td>
</tr>
<tr>
<td>3) Alison Tate</td>
<td>International Trade Union Confederation (ITUC)</td>
<td>Economic and Social Policy Director</td>
</tr>
<tr>
<td>4) Sehr Khaliq</td>
<td>Interfaith Center on Corporate Responsibility (ICCR)</td>
<td>Director of Evaluation</td>
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<tr>
<td>5) Nadira Narine</td>
<td>ICCR</td>
<td>Senior Program Director</td>
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<td>6) Ame Sagiv</td>
<td>Humanity United</td>
<td>Director, Forced Labor &amp; Human Trafficking</td>
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<tr>
<td>7) Bianca Agustin</td>
<td>United for Respect</td>
<td>Research Director</td>
</tr>
<tr>
<td>8) Adam Brennan</td>
<td>Thai Union</td>
<td>Group Director, Sustainability</td>
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<tr>
<td>9) An anonymous expert in the US food sector</td>
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<td>10) An anonymous Vice President of Sustainability for a food multinational company</td>
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COMPANY ENGAGEMENT

Oxfam reached out to all the US food retailers named in this briefing to share the excerpts mentioning their name in the report. Several companies provided constructive feedback that has been incorporated into this analysis. One company neither confirmed nor denied the research findings. Several of the companies also shared their efforts to address human rights in their operations and supply chains.
NOTES


11 S. Woolley. [2022, March 10]. Inflation Is Rising Faster Than Pay for Many American


19 In this way, the pandemic served to exacerbate and further entrench long-standing issues already facing women workers in global supply chains: poor access to health services, precarious work, unpaid care work, occupational segregation, pay discrimination, gender-based violence, and reduced access to training and education. See: A. Franck and A. Prapha. (2021). Not In This Together: How Supermarkets Became Pandemic Winners While Women Workers Are Losing Out. https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621194/bp-not-in-this-together-220621-en.pdf?sequence=22

20 Ibid.


28 The state re-filed its 2021 resolution with Amazon and filed an additional four shareholder resolutions with Chipotle, Match, Dollar Tree and Dollar General, demanding that they conduct third-party audits of their ’impacts on civil rights, equity, diversity and inclusion, and the impacts of those issues on the company’s business’, and then publicly disclose the findings of the audits. See: Office of the New York State Comptroller. (2022, January 19). *DiNapoli Calls on Major Corporations to Conduct Racial Equity Audits*. Retrieved 31 March 2022, from: www.osc.state.ny.us/press/releases/2022/01/dinapoli-calls-major-corporations-conduct-racial-equity-audits


30 Ibid.


32 A. Selyukh. (2022, January 31). *Starbucks Union Push Spreads To 54 Stores In 19


According to industry analysis, employers do not have the labour or capacity to effectively manage, process and unload US imports, and the resulting slow delivery times and shipping delays have rippled across the entire supply chain. See: K. Fowler. (2021, October 19). *Five Reasons Labor Shortages Are Impacting Supply Chains*. Forbes. Retrieved 31 March 2022, from: www.forbes.com/sites/forbeshumanresourcescouncil/2021/10/19/five-reasons-labor-shortages-are-impacting-supply-chains/?sh=da8ec8b5b94b

It’s also worth noting that the food retail industry (particularly in the US) has also been affected by these labour shortages, with Ahold Delhaize Chief Financial Officer, Natalie Knight, recently publicly acknowledging the current challenges in filling workforce vacancies, and in meeting the costs of doing so. See: E. Smith. (2021, November 10). *Big Business Bosses Are Warning That Supply Chain Issues And Inflation Are Here To Stay*. CNBC. Retrieved 31 March 2022, from: www.cnbc.com/2021/11/10/big-business-bosses-are-warning-that-supply-chain-issues-and-inflation-are-here-to-stay.html


M. Browne. (2021, September 20). *As Digital Sales Soar, Profits Are A Concern For*
“There has been almost complete silence in policy discussions when it comes to workers and their technology rights. This, despite the fact that workers currently have very little say about what data is collected on them, how employers are combining that data with algorithms to make decisions about them, and how these systems impact their jobs and livelihoods.” See: A. Bernhardt, L. Kresge and R. Suleiman. (2021, November 3). Data and Algorithms at Work: The Case for Worker Technology Rights. UC Berkeley Labor Center. Retrieved 31 March 2022, from: https://laborcenter.berkeley.edu/data-algorithms-at-work/


United States Securities and Exchange Commission. Form 8-K. Current Report
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934. The Kroger Co.

Retrieved 31 March 2022, from: www.sec.gov/ix?doc=/Archives/edgar/data/0000056873/000110465920077461/tm2023559-1_8k.htm

65 HRDD Panel – September 2021. Transcript (provided by S. Contractor).


69 Many of their guidelines direct investors to take seriously any resolutions that get more than 20% of the independent vote and to consider raising them with issuer Boards of Directors and asking how they are going to address them. See interview with Biana Agustin [United4Respect].


71 Based on interview with Nadira Narine (Interfaith Center on Corporate Responsibility) and Bianca Agustin [United4Respect].


Based on interview with Ame Sagiv, Humanity United.

Some stakeholders believe there is also more that NGOs working in these areas can and should do to better utilize existing tools by systematizing and allowing for cross-checking of relevant child and forced labor data across NGO databases. NGOs can and should also play the crucial role of connecting suppliers (who are generally the exclusive focus of legislative and regulatory penalties) to the retailers that source from them, as accountability for the retailers is lacking in existing legislative and regulatory regimes.


97 The ILO conventions to be included in the analysis are as follows: C29, C87, C98, C100, C111, C188 and C190. The SDGs to be included in the analysis are as follows: 1, 2, 3, 5, 8, 10 and 12. For a complete enumeration and description of the provisions, see Appendix 1.


100 CEO Action for Diversity & Inclusion website. www.ceoaction.com/ceos/?Sort=Alphabet&companyLetters=A#js-filters-container


105 Costco. *Human Rights*.

106 The Seafood Task Force is a ‘a collaboration tackling human rights and environmental issues in the Thai shrimp and canned tuna supply chains’. Retrieved 1 April 2022, from:  www.costco.com/sustainability-human-rights.html. At the end of 2020, the Task Force implemented a new monitoring and evaluation model to ensure that farmed shrimp, wild-caught tuna and marine-ingredient supply chains are traceable and internally assessed for supply chain risk.

107 Costco. *Supplier Code of Conduct*.


112 Kroger. (2021). *Sharing Our Value. 2021 Environmental, Social and Governance*


118 Based on Walmart’s Human Rights ESG Brief (July 2021): https://corporate.walmart.com/esgreport/esg-issues/human-rights#humanrights Walmart has identified the salient human rights issues and has identified five key supply chains in which it will address the risks to human rights and make a positive impact in promoting and respecting human rights.


122 Amazon also made a $1 million contribution to the Resilience Fund for Women in Global Value Chains. ‘The Resilience Fund pools corporate investments to drive local, women-led solutions to the toughest problems facing women in global value chains. Established by Business for Social Responsibility (BSR), the UN Foundation, and Women Win, the Resilience Fund aims to raise at least $10 million to make strategic, long-term investments in the economic resilience, health, and well-being of women who are foundational to global value chains.’ Retrieved 31 March 2022, from: www.aboutamazon.com/news/policy-news-views/amazon-further-strengthens-commitment-to-gender-equity


124 Whole Foods Market website. www.wholefoodsmarket.com/mission-values/sourced-for-good

125 Ibid.

126 Amazon website. https://www.aboutamazon.com/news/policy-news-
views/amazons-human-rights-commitment-policy-and-practice#2FACB


129 Based on interview with Allison Tate, ITUC.

130 *Principles for a #JustRecovery from COVID-19*.


132 See, for example, the Global Reporting Initiative (www.globalreporting.org) and the Sustainability Accounting Standards Board (www.sasb.org), among many others.

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