



Operational Guidance on **Worker's Rights**

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The Accountability Framework was created through a consultative process with a wide range of stakeholders including companies, NGOs, and government, and following applicable good practices for multi-stakeholder initiatives. This document represents the consensus of the AFi Steering Group members at the time of its publication, which include:



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Purpose & summary

This Operational Guidance elaborates on the Accountability Framework's **Core Principles 2.1 and 2.3** regarding respect for workers' rights in the context of all production, processing, and trade activities in the agriculture and forestry sectors. These rights include provisions for:

- a. No child labour
- b. No forced or compulsory labour
- c. Freedom of association and collective bargaining
- d. No discrimination
- e. No abusive practices or undue disciplinary procedures
- f. Legal and decent working hours
- g. Safe and healthy workplaces
- h. Living wages and fair benefits

These rights apply to all workers, including employees, contractors, temporary, seasonal, part-time, and other workers, and are applicable to all levels of the supply chain, from downstream buyers (e.g., retailers and manufacturers) to upstream suppliers (e.g., producers, primary processors, and traders). Downstream buyers and other companies with less direct visibility to supply-base level activities should implement due diligence processes and other supply chain management systems to ensure that these rights are respected upstream through all tiers of suppliers.

This guidance includes:

1. An overview of company obligations to respect the rights of workers
2. Elaboration of each of the above workers' rights provisions, including a summary of what they entail and best practice for preventing and mitigating risks of adverse impacts to these rights related to commodity supply chains
3. Information on how effective company management systems, including due diligence processes, can be developed and implemented to help safeguard workers' rights

Recognizing that there are already numerous guidelines and resources available to define and support the implementation of workers' rights norms, a main purpose of this document is to synthesize accepted best practice to help facilitate its adoption by companies. Additionally, this document guides companies on the establishment of policies and systems that are effective at managing workers' rights issues in an integrated manner alongside other key human rights and environmental issues. Other sections of the Framework are cross-referenced where they are relevant to company efforts to respect workers' rights. For readers seeking additional detail, this Operational Guidance also points to key external resources on various workers' rights topics.

1. Overview

Around the world, millions of workers plant, maintain, harvest, process, and transport crops, livestock, and forest products. They work year-round or seasonally, and many migrate for work. They work on large plantations, forest concessions, medium-sized farms, and small farms of a few hectares or less. These workers, along with their families and communities, often rely heavily on agriculture or forestry for their livelihoods. At the same time, these sectors are among the world's lowest-paid and most precarious occupations, making respect for workers' rights especially important.

International human rights treaties, conventions, and agreements affirm that companies have an obligation to respect the rights of all workers in their operations and supply chains, including in production, sourcing, services, and financial investments. Most national legislation, regulations, and policies also reflect these obligations. The Accountability Framework's [Core Principle 2.3](#) identifies specific workers' rights to be protected and respected, including:

- No child labour
- No forced or compulsory labour
- Freedom of association and collective bargaining
- No discrimination
- No abusive practices or undue disciplinary procedures
- Legal and decent working hours
- Safe and healthy workplaces
- Living wages and fair benefits

In addition to the countries that have formally ratified treaties and conventions on these rights, a growing number of voluntary initiatives and company sustainability programmes have incorporated these rights into their own standards and policies. This has been, at least in part, in response to legislation in certain countries and growing pressure from business partners and consumers.

1.1 Relation to other workers' rights initiatives and legislative requirements

The Accountability Framework's norms and guidance for respecting workers' rights align with and complement other workers' rights instruments, including the Universal Declaration on Human Rights, the International Labour Organization (ILO) fundamental Conventions, the UN Sustainable Development Goals (SDGs – particularly SDG 8), and the UN Guiding Principles on Business and Human Rights (UNGPs). The Accountability Framework initiative (AFi) recognizes that companies, NGOs, and other workers' rights advocates are already engaged in, or working to comply with, other voluntary and regulatory initiatives to safeguard workers' rights, and the AFi does not aim to duplicate or supersede these initiatives. Rather, the purpose of this document is to highlight and summarize established norms and best practice; link these to company efforts to address other environmental and human rights issues within the Accountability Framework's scope; and share recommended resources to learn more.

The guidance in this document helps support company implementation of existing and emerging due diligence legislation. However, most of this legislation focuses on a subset of human rights expectations (e.g., only forced labour) or does not cover the full due diligence process. As elaborated in this Operational Guidance, companies are encouraged to adopt the underlying concept of due diligence to address the full set of key workers' rights provisions listed above.

1.2 Workers' rights in the smallholder context

Smallholder operations may rely upon two different types of workers: 1) family workers on a family operation; 2) non-family workers who are hired or engaged through other arrangements such as barter or reciprocal exchange.

This guidance applies mostly to hired workers. However, the principles associated with workers' rights, and certain protections such as no forced labour and no discrimination, apply to all workers. Where smallholders are affiliated with or directly supported by a company (e.g., where they are part of outgrower schemes), the company is generally expected to comply with the same workers' rights provisions that would apply to larger-scale operations. For independent smallholders, smallholder groups can be an effective way to help manage the risk of non-compliance with buyer commitments on workers' rights, although companies in the supply chain may also need to provide capacity-building and support to identify and address workers' rights violations and improve labour practices.

The Accountability Framework's [*Operational Guidance on Smallholder Inclusion in Ethical Supply Chains*](#) provides additional detail on effective systems and practices for assessing compliance and supporting improvements in a smallholder context.

1.3 Workers' rights for agency workers, subcontracted workers, and workers in the supply chain

A company's responsibility to respect workers' rights (and other human rights) extends beyond workers who are directly employed by the company to include those who are engaged through recruitment agencies, labour brokers or intermediaries, and service providers (e.g., a company that furnishes labour for harvesting or spraying), as well as workers that supply their product to the company for processing (e.g., outgrowers).

Companies should be aware of the heightened risks typically associated with informal work arrangements, including workers working without contracts and the use of contractors or service providers that are not registered. When using labour recruiters, an important first step for ensuring workers' rights are respected is to conduct human rights due diligence on the recruiters. Risk assessments to identify adverse impacts to workers' rights should pay special attention to workers who may be informally employed. Respect for workers' rights starts with promoting and, where possible, requiring contracted employment.

2. Operationalizing respect for workers' rights

This section elaborates on the eight key workers' rights identified in [Core Principle 2.3](#) and listed in Section 1. For each, an overview is provided, followed by implementation guidance and resources for additional information.

All companies are expected to ensure that workers' rights are fully respected in their operations and supply chains. To achieve this, companies should adopt effective systems and practices based on their position in the supply chain and their corresponding role(s) as employers, commodity buyers, investors/financiers, or in other capacities. For instance:

- Companies that own, manage, or control production or processing facilities are responsible for ensuring respect for the rights of employees and contractors associated with these operations.
- Downstream companies should ensure that rights are respected at all stages of their supply chain through systems of supplier management (including through supplier codes of conduct that detail the expectations and actions for safeguarding workers' rights), purchasing policies and practices, due diligence, monitoring, and other systems as described in Section 3 of this Operational Guidance.

There is no simple prescription or single set of practices that can ensure respect for workers' rights across the myriad different contexts and workplace settings, and full respect for workers' rights often requires a combination of actions by different supply chain actors and other entities at different points in time. Recognizing the importance of contextualized solutions, users are encouraged to apply this Operational Guidance and other workers' rights resources with the support of persons and organizations that have expertise on protecting workers' rights in each specific context.

General resources to support companies in respecting workers' rights

- Social Accountability International (SAI), *Guidance document for Social Accountability 8000 (SA8000:2014)* (2016)
- Verité, *Fair hiring toolkit* (2021)
- Verité, *Responsible sourcing tool* (2021)
- Verité, *Toolkit for palm oil producers on labor rights* (2021)
- US Department of Labor, Comply Chain, *Business tool for labor compliance in global supply chains*
- The Global Compact, *Human rights and business dilemmas forum*

2.1 No child labour

2.1.1 Overview

Child labour refers to work that deprives children of their childhood, potential, and dignity, and that is harmful to their physical and mental development, including by interfering with their education. The prohibition of such labour is embedded in international conventions¹ and in the UN Guiding Principles on Business and Human Rights (UNGP).

As of 2021, over 112 million children are engaged in agriculture globally - an increase of 8.4 million children in the last four years - despite the fact that this sector has very high rates of work-related fatalities and injuries.² While most of these children work alongside their families on family operations, others are employed as full-time or part-time workers outside of their household, including children who were recruited into farming or forestry through intermediaries or were trafficked.

¹ ILO Minimum Age Convention No. 138 and ILO Worst Forms of Child Labour Convention No. 182

² UNICEF/ILO, [Child labour: Global estimates 2020, trends and the road forward](#), 2021

Child labour can also occur where adults, often seasonal migrant workers, live or travel with children and the children are encouraged to help their family members—for instance, when a piece rate or quota system is used for payment.

The risk of child labour is greater where: 1) schools or childcare facilities are not accessible (e.g., if the parents cannot afford school costs, if the work site is located in a remote area far from a school); 2) poverty is high; 3) the social and gender norms are accepting of child labour and of children not being in school; 4) laws either do not exist or are not enforced; 5) there is a lack of social protection and affordable healthcare; and/or 6) there is a lack of child protection services.³

A child is a person under the age of 18⁴; however, not all work performed by children is considered child labour. For example, work that does not affect a child's health or personal development and does not interfere with the child's schooling is generally not considered child labour. Child labour is defined by the age of the child conducting the work and/or by the nature of the work:

- **Children aged 13 or over** (or in some circumstances age 12 or over, where the economy and educational facilities are insufficiently developed) can perform light work when permitted by local law. This is work that does not threaten children's health and safety or hinder their education or vocational training. It should also not be performed for more than 14 hours per week.
- **Children aged 15 or over** (or in some circumstances age 14, where the economy and educational facilities are insufficiently developed) have reached the *minimum age for employment* per the ILO standards. Some countries set the minimum age higher, in which case the higher age threshold prevails. Children above the minimum age for work should not work more than 48 hours per week and should work only outside of school hours when subject to compulsory education laws.
- **No children** (applicable to all persons under the age of 18) can be subjected to:
 - + *Hazardous work*: This is work that is inherently dangerous, such as clearing fields, using machetes, applying pesticides, lifting that is disproportionate to the child's size (more than 20% of the child's body weight), or working for excessively long hours, at night, or in high temperatures. Hazardous work is one of the worst forms of child labour.

³ Rainforest Alliance, [A brighter future: Eradicating child labor in agriculture](#), 2021

⁴ United Nations Convention on the rights of the child

- + *Other worst forms of child labour:* This includes all forms of slavery, trafficking, debt bondage, and other types of forced labour; the use of a child for prostitution, or for the production of pornography or pornographic performances; and the use of a child for illicit activities such as begging or selling narcotics.

ILO Conventions allow countries certain flexibility in setting minimum ages and determining what constitutes hazardous work and light work. National governments can determine what is considered hazardous work through a tripartite process with employers' and workers' organizations. Employers may adopt more restrictive standards than the ILO and national laws but should never have more permissive ones.

2.1.2 Implementation Guidance

The elimination of child labour in supply chains should be context-sensitive and address the complexities of the local situation. Multiple approaches have been developed to help address these complexities, including the ILO's [Child Labour Monitoring Systems](#). The following guidance is consistent with these approaches.

Understanding the root causes behind the presence of child labour is a fundamental component of taking action to remediate it and prevent a reoccurrence (see Resources section below for more information on root causes and how to address them).

Age and task verification

The employer should ensure that it is not hiring workers who are below the legal minimum age, basing decisions on verifiable forms of identification, including identity documents and school and medical records. When documents are not available, the employer should verify worker age through other means such as interviews with expert witnesses or local community leaders, interviews with candidates whose age appears questionable, and by maintaining and reviewing a database to flag underage job applicants.

For children who are above the minimum age for working but below age 18, the employer should verify both the worker's age and their assignment to only light work tasks that do not include hazardous tasks or any other elements of the worst forms of child labour, as defined above. Working hours should also be tracked to ensure compliance with work week limitations. Adult supervisors should be present. Managers should have a clear understanding of what constitutes hazardous work within the context of the operations and should ensure that supervisors are trained in, and responsive to, occupational health and safety issues. A workplace policy on young workers that is accessible to all workers should also be developed, with specific tasks and conditions for the type of work that is permissible. In some cases, the consent of adults (parents or caregivers) should also be provided prior to starting work.

Child labour monitoring

Child Labour Monitoring Systems (CLMS) are national or sub-national programmes used to identify and remove children from child labour and refer them to rehabilitation services. The goal of developing CLMS is to institutionalize an ongoing process of observation, identification, and removal of child labour in a community.⁵ CLMS can be effective because of their ability to go beyond individual supply chain interventions to address child labour risks and problems, and underlying causes that are systemic and persistent at the community or landscape level. This can then support the development of preventative and mitigation measures where necessary. CLMS can also help foster context-appropriate solutions by linking child labour identification to remediation, and by monitoring the effectiveness of the remediation.

Companies are encouraged to engage with CLMS where they exist, and to establish or support the establishment of CLMS in areas where they are absent but could serve as effective tools for addressing child labour risks.

Recruitment agencies

Employers who obtain workers via recruitment agencies or other types of labour brokers should conduct due diligence on these intermediaries, and should put policies and procedures in place to ensure that the intermediaries are adopting and implementing policies and practices that comply with the employers' commitment to no child labour.

Remedial and financial support

When a child is found to be engaged in child labour, any action taken should be based on protecting the best interests of the child in question. If the child is of legal working age, a first step to be considered is whether the work can be changed to light work that is safe, age appropriate, and meets all legal requirements. If the child is below the legal working age, removal from the workplace should be done in a way that ensures that the actions taken do not worsen the child's circumstances or elicit pressure or punishment from the family members or other persons who placed them in the workplace. Special attention should be paid to determine if the child labour was a result of child trafficking in order to make sure that the child is adequately protected from the trafficker(s) and not just removed from the work site. This will often necessitate engaging experts to ensure that child protection is upheld.

The child should participate in decisions regarding remediation. Ideally, the child removed from child labour should be enrolled in school (or, if formal education cannot be accessed because of age, the child should be provided with vocational training that can lead to safe, age-appropriate, and decent work). Participatory community-based initiatives tailored to the

⁵ ILO, [Guidelines for developing child labour monitoring processes](#), 2005

specific needs of children have generally proven to be the most effective solutions. These actions should be accompanied by long-term approaches that address underlying family poverty, including improving access to land, housing, and economic opportunities.⁶

As part of the remediation, wherever adequate schooling or childcare facilities are not available, the employer should engage with the local government and NGOs to support the establishment and maintenance of such facilities. Where educational facilities are available, the employer may need to support access by ensuring that children are able to secure school fees, uniforms, books, and transportation.

The employer might also consider hiring another member from the child's family to ensure that the family does not lose the income or, if that proves unfeasible, providing the family a stipend to replace a child's lost wages.

An individual child labour case in agricultural and forestry settings may represent a more systemic issue at the household or community level. In such a case, a multi-level remediation strategy should be considered. Good practice for a multi-level remediation strategy includes⁸:

- 1) The employer engages a child protection expert to verify the causes of the child labour. The employer should assist in providing the expert with access and information to contact and collect information to verify the case, including how to contact the child and his/her guardian(s). The child's consent and privacy need to be respected in this process.
- 2) The expert recommends remediation measures and engages in meetings with the child and his/her parents/caretakers to discuss remediation options.
- 3) The employer reaches an agreement on the settlement of all remediation-related costs and assigns a person to be responsible for monitoring the case together with the third-party expert.
- 4) All cases are reviewed on a regular basis and followed up by the third-party expert during scheduled community visits.

⁶ RSPO, Guidance on child rights for palm oil companies, 2020

Additional resources on child labour

The following resources provide further information, best practice, and examples to support the elimination of child labour in supply chains.

- Roundtable on Sustainable Palm Oil (RSPO), *Guidance on child rights for downstream supply chain actors* (2020)
- Roundtable on Sustainable Palm Oil (RSPO), *Guidance on child rights for palm oil producers* (2020)
- Roundtable on Sustainable Palm Oil (RSPO), *Guidance on child rights for smallholders and group managers* (2020)
- UNICEF and the Danish Institute for Human Rights, *Children's rights impact assessment: A guide for integrating children's rights into impact assessments and taking action for children* (2013)
- Proforest, *Drivers of child labour, forced labour, inadequate health and safety, and land rights abuses and disputes in agriculture and forestry* (2019)
- Save the Children, *Guidelines for developing child labour monitoring processes* (2005)
- ILO and International Organisation of Employers (IOE), *How to do business with respect for children's right to be free from child labour: ILO-IOE child labour guidance tool for business* (2015)
- Proforest/FLA, *Guidance for child labour grievances* (2020)
- Rainforest Alliance, *Child labour knowledge guide* (2020)
- Rainforest Alliance, *Child labor toolkit annex c: resources* (2020)
- Rainforest Alliance, *A brighter future: Eradicating child labor in agriculture* (2021)
- Earthworm Foundation, *Child risk assessment framework: Guidelines and self-assessment handbook for palm oil producers in Malaysia* (2020)

2.2 No forced or compulsory labour

2.2.1 Overview

According to the ILO's most recent estimates, 21 million people around the world are trapped in conditions of forced labour.⁷ Forced labour has been documented in palm oil production (particularly on plantations in Indonesia and Malaysia), cattle raising, and forestry, among other sectors.⁸ It is an issue that is drawing an increased focus from national and local governments, as evidenced by a number of new laws and regulations over the past decade. Some of these laws require companies to perform due diligence regarding forced labour in their supply chains; some focus on disclosure of company efforts to combat forced labour; and some address importation of goods produced by forced labour.⁹

Forced or compulsory labour includes any labour that is involuntary, and that the worker is coerced to perform. Forced labour can take place during worker recruitment, as part of the conditions of work, and/or as part of leaving a job. Coercion can include fraudulent recruitment, confinement in the workplace, restriction of movement or communication, violence and threats, document retention, delay or manipulation of wages or loans, and deprivation of basic needs.

Forced labour includes all forms of debt bondage, human trafficking, and modern slavery. While these terms are often used interchangeably, it is important to understand the difference between these terms, and companies should not let varying terminology stop them from adopting comprehensive policies against forced labour and taking action to fulfill these policies (see box).

Key terms related to forced labour

Modern slavery: An umbrella term, often used to refer to both forced labour and trafficking, as well as other forms of labour exploitation

Human trafficking: The recruitment, transportation, transfer, harbouring, or receipt of persons, through any form of coercion, for the purpose of exploitation

Debt bondage: A form of indenture in which a worker is compelled to work until a debt is repaid.

⁷ ILO, [Forced labour, modern slavery and human trafficking](#)

⁸ US Department of Labor, [2018 List of goods produced by child labor or forced labor](#)

⁹ For example, the US Federal Acquisition Regulation (FAR), the UK and Australia Modern Slavery Act (MSA), and the US Trade Facilitation and Trade Enforcement Act (TFTEA)

2.2.2 Implementation guidance

Identify and assess indicators of forced labour

As noted above, labour is considered forced if it is both involuntary and coerced. Therefore, efforts to identify and assess the presence of forced labour should look for indicators of both involuntariness and coercion. See the *Additional resources* section below for tools and materials that apply these indicators to effectively identify and assess instances of forced labour. Whether or not instances of forced labour have been detected, conditions that foster involuntary or coercive labour are of concern and should be addressed both to cease any existing forced labour and prevent future instances.

Written contracts and documentation

Forced labour can occur when the initially agreed-upon terms and conditions of a job are not honoured and a worker therefore becomes trapped in a job under terms to which they did not agree. As such, written documentation of the terms of employment are an important means of protection. Written contracts should be in place regardless of whether the worker is employed directly or by a contractor or recruiter.

Contracts should be written in a language and format that the worker easily understands and should be signed by both worker and employer. They should detail, at a minimum, the worker's rights with regard to the payment of wages (including wages/wage rate and how wages are calculated, particularly piece-rate and incentive-based pay), overtime premiums, deductions (if any), frequency and means of payment, working hours, location of the job, nature of the work/job duties, benefits such as leave or medical care, and obligations related to resignation. The employer should maintain records of each contract, and the worker should be provided a copy.

In situations where a written contract was not put in place prior to employment, the employer should provide one, with input from the worker(s) on what was promised to the worker(s) upon accepting employment.

If there is a violation of the terms of employment offered at hiring (whether these were defined in a written contract or verbally), the employer should engage the worker(s), as well as worker representatives and unions where they exist, to provide appropriate compensation. Back pay and interest should be provided if they are necessary to honour the terms promised to the worker at hiring.

Pay-related practices

Wages should be paid on time, according to the schedule agreed in the written contract, and at least once a month. Each time that wages are paid, workers should be provided wage slips (documenting their regular and overtime hours worked, wages paid, and deductions), or shown such documentation and have the opportunity to freely sign a confirmation that the pay is correct or register a dispute.

If a worker's pay has been delayed, incorrectly calculated, or subject to inflated deductions, or if there are other manipulations, or actual or alleged irregularities, an independent third party should conduct an examination of actual wages owed, and these should be paid immediately.

If pay manipulations are a widespread practice in the workplace, an independent third party should carry out a broader assessment to determine if deductions are reasonable and legal, and if workers are being coerced to sign pay records.

Freedom of movement and communication

Workers must be able to leave their place of work at the end of a standard workday or shift or, if necessary, in case of imminent danger. Workers should not be forced to remain at the work premises outside of the working hours agreed to in their contracts. Entry and exit pathways to the workplace should remain unlocked and clear. Workers must also have access to personal means of communication, such as cellular phones, with no restrictions on their use outside of working hours. These principles should also be applied to dormitories provided by employers or agents.

Withholding documents

Personal documents such as passports, birth certificates, records of age, work or residence permits, and other travel documents should under no circumstances be withheld. While employers may feel that it is in their best interest and that of their workers to withhold these documents, such action is a key instrument through which freedom of movement and voluntary employment is endangered. Accordingly, workers must have immediate access to their personal documents and should not be required to forfeit original copies to their employer or any actor in the recruitment process.

Migrant workers who live in employer-provided or other temporary housing are generally the most susceptible to document withholding. If the security of workers' documents and valuables is a concern to workers or the employer, then the employer should provide secure lockers or other secure storage facilities that enable each worker to access his or her own belongings directly and without restriction.

Withholding of documents is also an indicator of other risks to workers' rights since it may point to other workers' rights violations that could cause workers to want to leave.

Recruitment-related vulnerabilities

Workers should not be required to pay any recruitment-related fees¹⁰ or costs to any actor as part of the process of obtaining or retaining a job. If a situation is discovered in which workers have paid such fees, the worker should be reimbursed as soon as possible. These fees are often hidden as excessive charges for transportation, visa processing, and training.

According to the Employer Pays Principle, even if a recruiter or other actor alleges that a worker owes recruitment fees, or even if the law states that workers should pay such fees, it is the employer who is expected to pay them.¹¹ Employers who recruit workers through labour brokers should perform an assessment at the time of engaging such workers to determine whether or not the workers hold any debts or alleged debts related to recruitment.

To mitigate the risk of deception and coercion in recruitment, employers should conduct due diligence of labour providers and other actors in the recruitment chain. See the *Fair Hiring Toolkit for Suppliers* in the *Additional resources* section below for more information.

Debt bondage

In addition to debts related to recruitment, debt bondage can also arise if employers or recruiters charge workers for meals, housing, or other costs that exceed workers' ability to pay in a reasonable amount of time.

It is acceptable for employers to provide loans or advances to workers; however, these should be provided within legal limits and at terms that allow the worker to repay them in a reasonable amount of time and without binding the worker to the employer or the job. The employer should have a written policy that governs protocols for loans and advances, and includes eligibility to apply, interest rate (if charged), and payment conditions. Terms and conditions for each specific loan or advance should be clearly communicated and documented in writing between the employer and worker, and workers must agree voluntarily to these terms and conditions.¹²

Freedom to leave the job

All workers have a right to terminate their employment at any time, for any reason, and without prior notice. Any restriction of this workers' right is considered forced labour. When employment is terminated (either by the employer or the worker), the worker is entitled, at a minimum, to wages for all time worked.

¹⁰ According to the ILO, a recruitment fee is "any fee incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of its imposition or collection."

¹¹ Institute for Human Rights and Business, [The Employer Pays Principle](#)

¹² ILO, [Q&As on business and forced labour](#)

The worker may also be entitled to additional benefits or accommodations as stipulated in applicable labour laws and/or employment contracts, as elaborated below. Each worker's contract should clearly specify the conditions and terms associated with contract termination by the employer and the worker.

While labour laws governing the employer's termination of employment vary widely from country to country, in many countries, the law states that employers must guarantee employment for the period of time stipulated in the contract. In other words, even if the employer has no more work, the employer is still liable for wages until the end of the contract. In the case of indefinite contracts (also known as permanent contracts, with no termination dates), most laws indicate the amount of severance pay that must be given if the employment relationship is ended for "unjust cause." The ILO recommends workers receive one month of severance pay for every year of employment, and most countries have this stipulated in their laws. Under these provisions, the employer cannot terminate the employment relationship unless it is for a reason expressly stated in the law or the employment contract, and/or unless the employer pays the stipulated severance

Additional resources on forced labour

The following resources provide further information, best practice, and examples to support the elimination of forced or compulsory labour in supply chains.

- Fair Labor Association, *Forced labor in supply chains: Addressing risks and safeguarding workers' freedoms* (2019)
- International Finance Corporation (IFC), *Managing risks associated with modern slavery: A good practice note for the private sector* (2018)
- ILO and IOE, *Combating forced labour: A handbook for employers and business* (2015)
- US Department of Labor, *Comply chain* (2018)
- Interfaith Center on Corporate Responsibility (ICCR), *Best practice guidance on ethical recruitment of migrant workers* (2017)
- Verité, *Step 4: Managing labor recruiters. Fair hiring toolkit for suppliers*
- Institute for Human Rights and Business, *Six steps to responsible recruitment: Implementing the Employer Pays Principle* (2017)
- Sedex, *Guidance on operational practice & indicators of forced labour* (2017)
- Responsible Business Alliance, *Supplemental Validated Audit Process (SVAP) on forced labor* (2019)

2.3 Freedom of association and collective bargaining

2.3.1 Overview

Freedom of association and collective bargaining are human rights stated in the Universal Declaration of Human Rights and recognized in the constitution of the ILO.¹³ However, collective bargaining has decreased in recent years. Trade union density decreased in 32 countries between 2004 and 2016, as did collective bargaining coverage in 22 countries in that same timeframe.¹⁴ Serious restrictions to collective bargaining were recorded in 116 countries in 2019. In very serious cases, workers' safety has been threatened for exercising their right to organize.¹⁵

Collective bargaining is a key means through which employers and their organizations and trade unions can negotiate and mutually agree on fair wages and working conditions. Typical issues on bargaining agendas include wages, working time, training, occupational health and safety, and equal treatment. These negotiations are vital to ensuring harmonious working relationships between workers and employers. Freedom of association and collective bargaining afford labour protection to workers, legitimacy (of rules) and stability to employers, and a way to supplement government policy and regulation on labour.

Employers have the obligation to protect workers' rights to all aspects of freedom of association, including their rights to organize and represent themselves in collective negotiations with management. Employers should be able to demonstrate that the union or other workers' organization that negotiates with the employer was chosen freely by the workers. Employers are expected to bargain in good faith and not engage in undue litigation or other actions to slow, stop, or limit the bargaining process.

If the right to freedom of association and collective bargaining is restricted under the law, the employer should facilitate (and should not hinder) the development of parallel or alternative means for independent and free association and bargaining. Similarly, if workers themselves have not come together to organize a union, the employer should facilitate the development of a mechanism for workers to represent themselves in negotiations with the employer. Alternative means should not be used to undermine or suppress unions.

¹³ ILO, [Business and Freedom of Association](#)

¹⁴ ILO, [Can collective bargaining create a fairer economy?](#) 2019

¹⁵ 2019 ITUC Global Rights Index: [The world's worst countries to work](#), 2019

2.3.2 Implementation guidance

Communication about freedom of association

Communications from the employer or its representatives should remain neutral on workers' decisions about organizing. Some good practice strategies for communicating about freedom of association include:

- Development of a company-wide freedom-of-association policy, with clear statements and references to national law and international standards
- Inclusion of a clear statement and reference to freedom of association in the human resources policy
- Inclusion of freedom of association during orientation or other ongoing training
- Posting the policies for freedom of association and collective bargaining visibly throughout the workplace in languages that workers understand

Non-discrimination against union leaders and members

The employer should ensure that workers are not subjected to discrimination, harassment, intimidation, or retaliation related to participation in unions or organizing in any capacity. Workers, workers' representatives, and trade union members should be protected from discrimination in relation to hiring, training, promotion, dismissal, and job assignments. For instance, workers should not be assigned to less-preferred work roles or work sites because of their roles in unions or organizing. This protection should be addressed clearly in all procedures and training, and monitored through regular reviews of disciplinary actions, human resource records, grievance logs, and interviews.

Non-interference

Employers should not in any way intervene or interfere in the nomination, election, operation, administration, or financing of workers' representation. This includes ensuring the union has the space to do its work through support such as allowing the union to meet on company premises if they choose and during working time. Such meetings should not disrupt regular company operations.

Employers may also go beyond neutral communication allowing union participation, and proactively encourage workers to participate and form unions.

Alternatives for achieving the intent of freedom of association and collective bargaining

If the employer operates in a location where the state interferes with or restricts freedom of association and collective bargaining, or if access to a formal union does not exist for any other reason, it is critical for workers to have the freedom to organize in other ways, and to be able to safely express grievances on their own behalf. Alternative means for achieving the intent of freedom of association and collective bargaining must include free election of workers as worker representative(s) or to establish a workers' committee.

While “worker voice” technologies (e.g., SMS or voice calls that workers can make to inform employers of violations or lodge complaints) are a means for connecting employers with workers in their operations and supply chains, they should not be considered an alternative means for achieving the intent of freedom of association and collective bargaining.

Additional resources for freedom of association and collective bargaining

The following resources provide further information, best practice, and examples to support freedom of association and collective bargaining in supply chains.

- Ethical Trading Initiative, *Freedom of association in company supply chains – A practical guide* (2013)
- ILO, *Q&As on business and freedom of association*
- Proforest, *WorkerVoice technologies* (2020)

2.4 No discrimination

2.4.1 Overview

Discrimination is any unjust distinction, exclusion, or preference made based on race, colour, sex, religion, political opinion, national extraction or social origin, union affiliation, disability, or any other non-job-related characteristic, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.¹⁶ International guidelines and best practice call for employers to put policies and procedures in place to prevent all types of discrimination in the workplace and throughout the employment process - including recruitment and hiring, promotions and wages, training, pregnancy, interference with rights to observe tenets, complaint management, and dismissal.

Workers should be hired on the basis of their job-related competence, attributes, or skills, and the promotion and compensation of workers should be based on these same attributes and on their job performance. In order to ensure the safety and dignity of all workers, management should promote a culture of respect for all and zero-tolerance for mistreatment and degrading attitudes or behaviour. Proactive measures to address discrimination should also be adopted.

Discriminatory practices commonly associated with agriculture and forestry workplaces include (but are not limited to) unequal pay for equal work, sexual harassment, compulsory pregnancy tests during hiring procedures, and violence against Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) individuals.

Discrimination against women is prevalent throughout the agriculture and forestry sectors. In the Indonesian palm oil sector, for example, women are more likely to be involved as casual workers, with no work contracts or agreements.¹⁷ This creates the conditions for women to be underpaid, overworked, and exposed to hazardous working conditions. In the beef sector, Human Rights Watch found that while factory workers of all genders are exposed to hazardous working conditions, women face occupational hazards that pose particular risks to reproductive health and also suffer from sexual harassment.¹⁸ Sexual harassment is one widespread manifestation of discrimination and is perpetuated against workers of any gender or sexual orientation.

¹⁶ ILO C111 - [Discrimination \(Employment and Occupation\) Convention, 1958 \(No. 111\)](#)

¹⁷ Pulitzer Center, [Indonesian women risk health to supply palm oil to the West](#), 2017
CIFOR, [Voices of women in palm oil](#), 2017

¹⁸ Human Rights Watch, [When we're dead and buried, our bones will keep hurting](#), 2019

Discrimination against migrant workers is also a common practice, with migrant workers often excluded from higher-paying assignments, opportunities for advancement, and certain benefits.

Discrimination may also occur when employers bring in outside workers and displace the local workforce that has the required job-related capacities and/or could be provided with capacity-building support as part of a broader effort to strengthen community livelihoods.

Some national and local laws may reflect traditions of discrimination such as permitting men to earn more than women when performing the same or comparable tasks. Local discriminatory practices might exclude female job applicants by considering family responsibility (children) or marital status prior to hiring. Even where local laws and norms do not prohibit discrimination, employers should avoid discrimination at every stage of employment.

Laws or approaches that favour certain underrepresented, or vulnerable groups (sometimes referred to as “positive discrimination”) are distinct from discrimination that prejudices or disadvantages such groups, and are generally permissible. This includes laws and regulations in favour of women, indigenous peoples, or other minority groups that historically have not had equal opportunities.

Passive practices that result in discrimination are still considered discriminatory and are in violation of internationally recognized norms. For example, not questioning the high degree of dominance of one ethnic group over another in senior management may be a form of discrimination.

Incidents of discrimination should be dealt with promptly and effectively, leaving no doubt about the willingness of management to discipline perpetrators in a way that would deter future incidents.

2.4.2 Implementation guidance

Hiring

Employers should actively avoid discrimination, whether indirect, unintended, or accepted by tradition (e.g., hiring female and male workers for jobs that are culturally considered “suitable” for them).

When recruiting for a job, the employer should accept applications from all potentially qualified applicants regardless of their gender, age, ethnicity, or other characteristics unrelated to their suitability to perform the job. Human resources staff should be made aware of prejudices in hiring through unconscious bias training. Pregnancy tests should be prohibited, including under the rationale or pretense of safety.

When interviewing for a job, the employer should follow the same procedures and criteria for everyone, and there should be two employer representatives present, with preferably one being a woman.

In agriculture and forestry, some job assignments (often higher-paying ones) are considered unsuitable for women because of the assignment’s physical intensity. This should not be an a priori assumption, and women should be given the opportunity to apply for and obtain these jobs if they can perform them.

Promotions and senior management

Ensuring non-discrimination in selecting senior managers and workers at all levels begins with establishing diversity goals and plans to meet those goals in all job categories. A workforce with a balanced gender composition for most roles but predominantly men in senior management roles, for example, might indicate insufficient access of women to training, mentoring, or other advantages given to their male colleagues; different criteria for evaluating women vs. men for promotions; or other deliberate or unintentional barriers to gender equality. If gender, ethnic, or other imbalances exist at the most senior levels, the employer should take proactive steps to remedy this disparity.

Parental leave

Maternity leave with pay is an internationally recognized right in various conventions and standards.¹⁹ This right typically includes not only pay but also additional benefits to help provide for a suitable standard of living, as well as the right to return to the same or similar job with the same pay after the conclusion of maternity leave.

¹⁹ For example, the [United Nations Convention on the Elimination of all Forms of Discrimination Against Women \(CEDAW\)](#) article 11.2; International Covenant on Economic, Social and Cultural Rights article 10 (2); ILO Convention 183 on Maternity Protection Article 4

In many countries, a specified minimum period of maternity leave is compulsory under national law. Specific regulations and requirements vary widely, including the proportions of maternity-leave benefits that are paid by the government and by the employer, the length of maternity leave, and the existence of paternity-leave policies. Due to these differences, the expected role of employers in providing for parental leave also varies by country. Employers are expected, at a minimum, to meet legal requirements and should benchmark their parental leave policies to align with industry standards, best practice, or collective bargaining agreements in the sector. If only maternity leave is legally required, employers are still encouraged to provide paternity leave.

If the employer determines production bonuses based on job attendance, parental leave should not be considered an absence for the purpose of calculating bonuses.

Non-interference with rights to observe tenets or practices

Workers should be free from interference with their rights to exercise personal choices (“tenets and practices”) regarding physical appearance, clothing, headwear, worshipping practices, language, disability devices, activities outside of the workplace, or other reasonable tenets or practices permitted under law that are not unreasonably detrimental to the interests of the employer and are not directly harmful or antagonistic towards other personnel.

Pregnancy, virginity, or other health tests

The requirement of any personal health tests, unless conducted necessarily for the protection of workers and under strictly defined conditions, is considered discriminatory. Employers should not subject workers to virginity tests under any circumstances.

Pregnancy tests are not permitted under any circumstances unless they are mandated by law because the work is potentially dangerous to pregnant women (e.g., it involves the use of hazardous equipment or chemicals). Even then, such tests need always to be agreed to by the woman. In the event that a woman undergoes a pregnancy test and is pregnant, employment cannot be terminated based on the result. Likewise, in the case of a potential worker, she cannot be refused the job due to the outcomes of the pregnancy test. Rather, if certain job tasks are considered harmful to pregnant women, the employer should find another position for the woman that is suitable for her condition, not harmful, and that comes with similar benefits.

Medical tests may be permitted if the information provided by the tests is necessary to protect workers. For example, a medical test to monitor health impacts of chemical exposure in the workplace, or to mitigate pandemic risks, would be allowable since it protects the health of workers, whereas an HIV test is irrelevant and thus impermissible in most workplaces. Furthermore, if medical tests are mandatory by law, the information must be handled according to government requirements, be kept confidential, and not be used to foster any form of discrimination.

Additional resource on no discrimination

The following resources provide further information, best practice, and examples to support the elimination of discriminatory behaviour in supply chains.

- IFC, *Good practice note: Non-discrimination and equal opportunity* (2006)
- ILO, *Ageing. Managing diversity and equality at the workplace* (2009)
- ILO, *A training manual for enterprises on HIV/AIDS workplace policy and programmes & public-private partnerships* (2009)
- ILO Global Business and Disability Network (GBDN), *Making the future of work inclusive of people with disabilities* (2019)
- ILO GBDN, *Model self-assessment tool*
- ILO, *Promoting equity: Gender-neutral job evaluation for equal pay: a step-by-step guide* (2008)
- Social Accountability International (SAI), *Management systems to address gender discrimination* (2019)
- European Bank for Reconstruction and Development, International Finance Corporation, CDC Group, *Addressing gender-based violence and harassment – emerging good practice for the private sector* (2020)

2.5 No abusive practices or undue disciplinary procedures

2.5.1 Overview

Abusive or undue disciplinary procedures include the use of corporal punishment, mental or physical coercion, verbal abuse, or other harsh or inhumane treatment in the workplace. Other examples include supervisors creating their own disciplinary procedures outside of company policy, re-assignment to a job at a lower pay rate as a disciplinary measure, or withholding material on a production line.

Even though such forms of discipline are widely practiced and culturally accepted in many contexts, they constitute an infringement upon basic human rights, are impermissible as part of supply chains that respect workers' rights, and are prohibited by international law and many national laws. International instruments including the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights expressly prohibit "cruel, inhuman or degrading treatment or punishment." In addition to these prohibitions, many countries have national legislation that makes abuse in the workplace a criminal offense.

2.5.2 Implementation guidance

Purpose of disciplinary actions and non-discriminatory procedures

Disciplinary measures may be necessary for employers to maintain orderly operations, yet it is important that such measures are aimed at promoting a high standard of personnel conduct and performance, and not meant to punish, humiliate, or intimidate personnel. Actions such as the withholding of pay, work tools, or break time create fear and intimidation and should not be allowed. Legitimate disciplinary actions should be fully documented and applied consistently, not arbitrarily, to every worker, without any discrimination. Worker performance that may trigger disciplinary action, and the action that would be taken in such cases, should be detailed in the employment contract and/or worker handbook in a format that is accessible and understandable by all workers. Supervisors and managers should be trained on all procedures and how to communicate effectively and carry out disciplinary actions in a fair and respectful manner.

No disciplinary actions should be made in retaliation against any worker for submitting a grievance or complaint in the workplace. In situations where employers set group performance targets, and/or group disciplinary actions are used to discipline a group for the actions of one person, employers should pay careful attention to the likely negative effects

on particular individuals and carefully examine the impacts and limitations of using group discipline versus a more nuanced approach. Concerns include a strong likelihood that group discipline will lead to excessive peer pressure, isolation, or harassment of individuals. If a risk assessment or grievance mechanism suggests issues around undue disciplinary procedures or abusive practices, then a root-cause analysis should be conducted to understand why problems have occurred and address the underlying causes of inappropriate disciplinary actions. (See Section 3.2.2 for more information on the use of root-cause analysis). The analysis may lead to opportunities to address systemic issues such as unclear procedures, lack of training, poor communications, or stressful working conditions.

Progressive course of action and alternative disciplinary methods

When disciplinary action is warranted, employers are encouraged to adopt a progressive course of respectful disciplinary action aimed at cessation of unacceptable behaviour and constructive improvement of performance (e.g., through additional training). This course of action should not include corporal punishment, mental or physical coercion, verbal abuse, or harsh or inhumane treatment.

In the case of minor infractions (e.g., isolated incident of tardiness or minor production errors), an acceptable progression of disciplinary methods may be as follows. First, the employer may use an oral warning to notify the worker that his/her conduct or level of performance is unacceptable. If the unsatisfactory performance or conduct continues or becomes more serious, the employer may issue a written warning identifying the details of the infraction that led to the warning. The written warning may also contain a request for corrective action, a timeline for correction, and the consequences if the worker fails to comply with the request. If the worker fails to improve, the employer may issue a final written warning that documents the continued misconduct or poor performance by the worker and notes the consequences of further failure to improve, such as possible suspension or even dismissal. As a last resort, the employer may suspend, demote, or dismiss a worker. The worker, however, should be given the opportunity to appeal the decision before such action is taken.

Disciplinary records

Employers should maintain records of disciplinary actions taken and how such actions will be monitored to assess their effectiveness. Each record should detail the violation(s) that warranted disciplinary action, the disciplinary measures that were taken, documentation of any appeals and the outcome thereof, and the outcomes of the disciplinary process itself.

Workers' rights in the disciplinary process

When the employer takes disciplinary action, the worker should have access to the details of the alleged infractions and have the right to respond to and/or appeal any disciplinary decisions without negative repercussions. When evaluating and contesting disciplinary decisions, workers should also have the right to consult with and be represented either by a trade union or by their selected representative(s). Additionally, to promote the fairness and effectiveness of disciplinary procedures and actions, the employer should be sure that workers are aware of any existing channels for expressing their concerns through a company grievance mechanism.

Disciplinary fines and deductions

The employer should not impose monetary fines or penalties as a means to maintain labour discipline, including to deter or punish lateness, absenteeism, failure to complete quotas, operational mistakes, or even bathroom breaks that are longer than allowed. Because wages are remuneration for the workers' service, once a worker provides that service, the employer has an obligation to pay for it.²⁰

Additional resources on no disciplinary actions

The following resources provide further information, best practice, and examples to support implementation of fair and just disciplinary actions when warranted.

- ILO, *Q&As on business, wages and benefits*
- Fair Labor Association, *FLA workplace code of conduct and compliance benchmarks* (2020)

²⁰ See [SA8000](#) and the Fair Labor Association's [FLA Workplace code of conduct and compliance benchmarks](#) for more information.

2.6 Legal and decent working hours

2.6.1 Overview

Excessive working hours have been documented in various countries in the palm oil²¹, forestry²², and other sectors. Particularly during busy times, such as harvest periods, workers often work significantly more hours while receiving pay on a low piece-rate or volume basis. Since they are paid for what they produce or harvest, the incentive exists to work long hours to earn sufficient income.

Research indicates that workplace accidents and workplace deaths increase as working hours increase, and are significantly higher once working hours reach or exceed 60 hours per week.²³ These problems also result in significant costs to business, leading to losses in productivity, high staff turnover, and diminished worker morale. In contrast, the benefits to both workers and employers of providing decent working hours is supported by multiple reports, including a 2012 ILO report documenting that “employer provision of better work/life balance practices such as job flexibility is associated with significantly higher productivity and self-assessed performance.”²⁴

2.6.2 Implementation guidance

Working hours and overtime

The ILO has not adopted agriculture-specific standards on working hours, and many national laws do permit long working hours in agriculture and other sectors. Employers should, at a minimum, adhere to ILO provisions²⁵ on working hours (even if not specifically for agriculture), which generally require that the regular working schedule consist of no more than an eight-hour workday for no more than six days per week, for a maximum of 48 regular hours per week. With overtime, this may be increased up to 60 hours per week for limited durations. Workers should have a 30-minute break after six consecutive hours of work, and one day off after six consecutive days of work. Additionally:

- Adequate periods of rest breaks for meals and physical recovery should be provided, especially when the work is strenuous, dangerous, or monotonous.
- Daily or nightly rest of not less than eight hours within a 24-hour period should be provided. Weekly rest of at least a full calendar day should also be provided. Extended workdays (longer than eight hours) should be contemplated only if the nature of the work enables it to be carried out without increased risk to safety and health.

²¹ Verité, [Labour and human rights risk analysis of Ecuador's palm oil sector](#), 2016

²² KnowTheChain, [Investor snapshot: Forced labour in forestry \(incl. paper & forest products\)](#), 2019

²³ For example, ILO, [Working time, health, and safety: A research synthesis paper](#), 2012

²⁴ ILO, [The effects of working time on productivity and firm performance: A research synthesis paper](#), 2012

²⁵ ILO Hours of Work (Industry) Convention 1, and ILO Reduction of Hours of Work Recommendation 116

- A shift system should be established to minimize the accumulation of fatigue.²⁶

Given the seasonal nature of working in the agricultural and forestry sectors, working hours may need to be extended in certain situations. However:

- All overtime must be voluntary: extended hours must be voluntarily agreed to by the worker, and there should be no penalty for workers that do not agree to work extended hours.
- Overtime should be used responsibly, taking into account the extent, frequency, and hours worked by individual workers and the workforce as a whole.
- Overtime should not be used to replace regular employment.
- Overtime should always be compensated at a premium rate, which is recommended to be not less than 125% of the regular pay rate.

Employer policies and practices on working hours should serve to eliminate both the incentives that workers face for working long hours (e.g., low wages and payment on a piece-rate basis), as well as actions that impel workers to work long working hours (e.g., the threat of replacement).

Contracts

Workers should have contracts that clearly state the terms related to working hours and overtime. Terms related to overtime should clearly state that it is voluntary.

Working hour recording systems

Employers should maintain records of working hours and production volumes (if relevant for the determination of pay) for all workers. Workers should have access to their records, which should be provided to them in case of doubt or conflict regarding the computation of wages.

Working hours in relation to piece work and production targets

Employment practices should not encourage, incentivize, or necessitate workers to work in excess of the normal working hours noted above. Specifically:

- When workers are paid on the basis of their productive output (i.e., “piece work” for harvesting or other tasks), piece rates should be high enough that a typical worker can earn the required wage level (see Section 2.7, below) within the applicable working-hour limits without undue exertion or increased risk of physical harm.
- If workers are given production targets or quotas, these should likewise be based on what a typical worker can fairly and realistically achieve within normal working hours.
- Designated piece rates and/or production targets or quotas should be calculated based on an allowance for adequate breaks and rest periods that are at least as long as specified above.

²⁶ ILO, [Safety and health in agriculture](#), 2011

Buyers should consider the impact of their purchasing practices on suppliers' ability to manage production and related impacts on working hours and worker health and safety. Volatile order placement, sudden changes in volume or specifications, downward price pressures, delayed payments, demands for faster turnaround and delivery, and other pressures from buyers can all put price and production pressures on suppliers, which then commonly get passed on to workers.

Hours averaging

Work-time averaging may be used to address irregular working-hour requirements only when allowed by national law and by a collective bargaining agreement. In these cases, hours may be averaged over a selected period of two or more weeks and can add up to more than 48 hours in particular week(s) and less than 48 hours in other week(s).

Additional resources for decent working hours

The following resources provide further information, best practice, and examples to support the provision of decent working hours.

- The Global Compact's Human Rights and Business Dilemmas Forum, *Working hours*
- ILO, *Decent working time: Balancing workers' needs with business requirements* (2007)
- ILO, *Q&As on business and working time*

2.7 Living wages and fair benefits

2.7.1 Overview

When developing and implementing policies related to worker remuneration, employers should distinguish between a minimum wage and a living wage. A minimum wage is defined as the lowest remuneration that employers may legally pay their workers. In contrast, a living wage is defined by the Global Living Wage Coalition as “the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family.”²⁷ Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for unexpected events.

Minimum wages are often insufficient to meet the basic needs of a worker and his or her family. Voluntary standards and internationally accepted best practice therefore advocate for living wages to be paid to workers. Increasingly, downstream companies are starting to commit to paying living wages to their direct employees and working with their suppliers to seek living wages in their supply chains.

In contexts where workers are self-employed, the concept of “living income” is used in lieu of “living wage.” Both living wage and living income aim to secure a decent standard of living for households by calculating the level of remuneration needed to afford a decent standard of living for the worker and her or his family.

Fair benefits (also known as in-kind benefits) are goods and services furnished to workers free of charge or at reduced cost that are clearly and primarily of benefit to the worker, such as housing, food, transportation fuel, and medicine. In addition to providing fair benefits to workers, employers may also need to facilitate worker receipt of social benefits provided by the government—for example, social security or government-provided health benefits, which in many cases do not reach workers.

2.7.2 Implementation guidance

Living wage methodology

The living wage level varies across contexts based on cost of living and other factors. The Global Living Wage Coalition provides a standardized methodology (the Anker Methodology) for calculating this level for specific contexts. This methodology uses a combination of international and national standards, as well as research on local contexts, to estimate the

²⁷ See [Global Living Wage Coalition](#)

cost of three main elements of a basic but decent standard of living for a worker and his or her family in a particular place: food, housing, and other essential needs (e.g., transportation, education, health care).

Paying a living wage

If the living wage level has already been established for a given context, the employer should use it as a reference. The employer should then do a gap analysis of the living wage against current wage levels and develop a plan to close this gap over time. This plan should be developed in conjunction with workers' representatives as part of collective bargaining processes or otherwise. If a living wage benchmark (reference level) does not exist for the context where workers are employed, then the employer should approach other stakeholders in the area (e.g., workers' representatives, NGOs, other companies in the same sector) to pursue the development of a local living wage benchmark.

It may take time for an employer to transition to paying living wages to all workers. If this is the case, the employer's plan should identify key activities and milestones for progressing toward payment of living wages. The plan may vary by supply chain, commodity sector, and/or location. The employer should report progress annually toward implementing its plan and achieving living wage levels for all workers.

In sectors where living wage implementation might be challenging due to low commodity prices, companies should participate in collaborative processes across the supply chain and industry to address underlying factors and barriers to payment of a living wage. Buyers and suppliers should work together to consider possible solutions to enable higher wages, such as price premiums, increased production efficiency, productivity improvements, and the reduction of worker turnover rates or absenteeism. Government can also be engaged to provide or improve benefits such as health care, education, social security, and other social infrastructure, which serve to improve living standards and reduce the cash expenditures required to meet all eight elements of a decent standard of living. Likewise, employer-provided in-kind benefits reduce the amount of cash wages that workers require to achieve a decent standard living, and thus can be one way to reduce living wage gaps. However, to be counted toward the payment of a living wage, such benefits must be provided at cost, valued by workers, and meet international standards of quality (e.g., for nutritional value of provided food, the safety and security of provided housing).

If an employer has not yet achieved payment of a living wage, the employer should, at a minimum, provide all workers with wages that meet the local minimum wage, the industry minimum standard, or the provisions of the collective bargaining agreement, whichever is higher.

Provided services and fair benefits (in-kind benefits)

To reduce the cost of living for workers, employers may provide certain services to workers. Such services and benefits may include dormitories, food, transportation, fuel, medicine, and/or health care. Employers may also need to facilitate worker participation in benefits that are provided by the government, such as social security and health care. Services and benefits should always be provided at or below cost (i.e., for free, at a subsidized rate, or at the employer's actual cost) but never for a profit. Services and benefits provided for a fee should be of quality and value to the worker.

Additional resources on living wages and fair benefits

The following resources provide further information, best practice, and examples to support the provision of living wages and fair benefits.

- The [Global Living Wage Coalition website](#) contains general information and access to the Anker Methodology for calculating living wage levels.
- Joint Ethical Trading Initiatives, *Living wages in global supply chains: A new agenda for business* (2015)
- Netherlands Enterprise Agency, *Paying a living wage: A guide for companies* (2016)
- Ethical Trading Initiative, *Base code guidance: Living wages*
- Rainforest Alliance, Annex 8: Salary Matrix Tool (2020) and *Annex 9: Methodology for measuring remuneration and gaps with a living wage* (2020)
- ALIGN, *Guidance tool on living wages and living income*
- Earthworm Foundation, *Guideline for Indonesian palm oil companies – fair target-setting and wage policies in oil palm plantations* (2020)
- Proforest provides guidance regarding how to calculate minimum wage for workers working on piece rate. To request this resource, please email: info@proforest.net

2.8 Safe and healthy workplaces

2.8.1 Overview

Safe and healthy workplaces are defined as “workplaces in which companies take effective steps to prevent potential health and safety incidents and occupational injury or illness arising out of, associated with, or occurring in the course of work.”²⁸ Characteristics of a safe and healthy workplace include the use of personal protective equipment, tools, and machinery that are well-maintained and fit for their purpose, availability of first aid and medical care, and access to potable water and clean toilet facilities.

International, national, and local frameworks have been developed that establish the roles, responsibilities, and rights of authorities, employers, and workers with respect to occupational safety and health (OSH).²⁹ However, while many countries have established requirements around the use of personal protective equipment, first aid, machinery, sanitation, and other elements of OSH, these requirements are often poorly enforced or may include deficiencies.

Workers in the agriculture and forestry sectors face significant safety and health hazards. These include exposure to extreme heat and cold, falling trees and branches, equipment malfunctions, exposure to pesticides and other chemicals, and biological hazards such as potential allergic reactions to plants, pollen, and insect bites.

While proper attention to OSH may initially be perceived as an imposition, many employers have discovered that using a systems approach to identifying and controlling hazards in the workplace delivers significant business benefits in the form of cost savings, efficiency gains, and personnel retention.

2.8.2 Implementation guidance

Personal protective equipment

Employers should seek to minimize the risk of hazards in the workplace through comprehensive controls such as operational procedures, improved workflows, better equipment and machinery, and material substitution. When risks cannot be avoided or adequately minimized through such systemic measures, personal protective equipment

²⁸ [ILO Constitution](#)

²⁹ For example, there are 38 up-to-date ILO instruments that are directly relevant to OSH.

(PPE) should be used to mitigate unavoidable residual risks. PPE includes items such as safety helmets, gloves, eye protection, protective and/or high-visibility clothing, safety footwear, safety harnesses, and respiratory protective equipment (RPE).

PPE and other protective tools should be provided to workers free of charge. Employers should also choose equipment carefully and ensure that workers are properly trained in how to use it, as well as how to detect and report any faults. Special attention should be paid to make sure that PPE is as comfortable as possible (which can be especially challenging in extreme temperatures), is suitable for women, men, and all body sizes, and does not impede worker movement.

Use of tools and machinery

Key considerations in the purchase of agricultural and forestry equipment should include safety features and the adaptability of usage for both women and men workers. Tools and machinery should be maintained in good repair and working order. Maintenance records should also be kept.

Safety standards regarding the design, manufacture, installation, and use of machinery and equipment should be reviewed and understood before use. Workers should be trained and instructed in operating machinery and the potential dangers of the equipment, and workers' skills should be periodically evaluated to ascertain proper knowledge and skill levels to operate such equipment.³⁰ Unauthorized persons, especially children, should not be allowed to operate machinery.

Emergency medical care and first aid

Material Safety Data Sheets that specify how to respond to different kinds of emergencies should be available at the workplace and understandable to workers with reading limitations. The employer should train workers in the relevant procedures.

As far as is practicable, appropriate means and trained personnel for rendering first aid should be readily available at all times during the use of acutely toxic pesticides and other hazardous chemicals at work.

³⁰ ILO, [Safety and health in agriculture](#), 2011

First-aid equipment and facilities should be adequate for responding to potential incidents related to the hazards present at the workplace, and should be readily accessible at all times. Suitable facilities should be available for workers to use themselves, such as emergency showers or eyewash stations. These should be strategically placed to allow for immediate decontamination in the event of an emergency.

Drinking water

Potable water should be available and placed in locations readily accessible to workers. The amount of water available should be sufficient to meet the needs of all workers at the workplace, accounting for the air temperature, humidity, and nature of the work performed. Mobile drinking-water dispensers should be designed, constructed, and maintained to ensure sanitary conditions. They should be kept closed and equipped with a tap. Open containers, such as tanks, barrels, or pails from which water is dipped should not be used. Drinking cups and other utensils should be for personal use, not shared among employees.

Toilet and handwashing facilities

Toilet facilities should be provided in accordance with national legislation, and workers should be given reasonable opportunities to use them during the workday.³¹ They should be of sufficient number, easily accessible in all workplaces (including portable toilets at remote work sites), ventilated and well-lit, maintained in sanitary condition and with sanitary paper, built for single-use occupancy, and lock from the inside. Employers should provide suitable privacy of toilet facilities for each gender.

Hand-washing facilities with an adequate supply of potable water (ideally warm), soap, and single-use towels should be conveniently located near the toilets.

Protection of pregnant and breastfeeding women

Employers should provide pregnant or breastfeeding women with alternative work that is not hazardous to the health of the woman or her unborn or nursing child (e.g., agrochemical exposure), where such work is available. Additionally, pregnant women also face increased risk of musculoskeletal injury from exposure to arduous manual handling tasks, tasks requiring special equilibrium or non-neutral postures (e.g., tree fruit and nut picking), prolonged periods of lying prone, sitting, or standing (e.g., riding on mechanized picking or weeding platforms), and machine vibration.

Employers should inform themselves of the relevant standards and carry out a risk assessment to determine the measures required to eliminate the hazard or the control strategies required to minimize exposure to these hazards for pregnant or breastfeeding women.

³¹ ILO, [Safety and health in agriculture](#), 2011

Additional resources on safe and healthy workplaces

The following resources provide further information, best practice, and examples to support the provision of safe and healthy workplaces.

- ILO, *Guidelines on occupational safety and health management systems, ILO-OSH 2001* (2009)
- ILO, *Audit matrix for the ILO guidelines on occupational safety and health management systems (ILO-OSH 2001)* (2013)
- FAO, *International code of conduct on pesticide management: Guidelines for personal protection when handling and applying pesticides* (2020)
- IFC, *Environmental and Social Management Systems (ESMS) implementation handbook - CROP Production* (2014)

3. Effective management systems to ensure respect for workers' rights

The Accountability Framework's Core Principle 4 calls on companies to establish systems and processes that effectively promote and facilitate implementation of supply chain commitments, including the workers' rights provisions elaborated in Section 2. Collectively referred to as **management systems**, these are the set of policies, processes, procedures, and resources used by a company to ensure it can fulfil the tasks required to achieve its ethical supply chain goals.

The UN Guiding Principles on Business and Human Rights (UNGP) provide a comprehensive framework for ensuring respect for human rights in the context of company operations.³² The elements of this approach are summarized in Figure 1. The UNGP call on companies to have in place policies and processes including:

- 1) A policy commitment to meet their responsibility to respect human rights
- 2) A due diligence process to identify, prevent, mitigate, and account for how they address their impacts on human rights
- 3) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute

This Operational Guidance follows the UNGP approach while focusing specifically on workers' rights as a subset of all human rights that companies are obliged to respect. Workers' rights details related to the above-listed three components of the UNGP approach are elaborated in Sections 3.1 through 3.3, respectively. This is followed in Section 3.4 by an example of a management system that addresses workers' rights. Other sections of the Accountability Framework address the rights of Indigenous Peoples and Local Communities, also following the UNGP approach.³³

³² [UNGP Principle 15](#)

³³ The Accountability Framework [Core Principle 2.2](#), [Operational Guidance on Respecting the Rights of Indigenous Peoples and Local Communities](#), and [Operational Guidance on Free, Prior and Informed Consent](#)

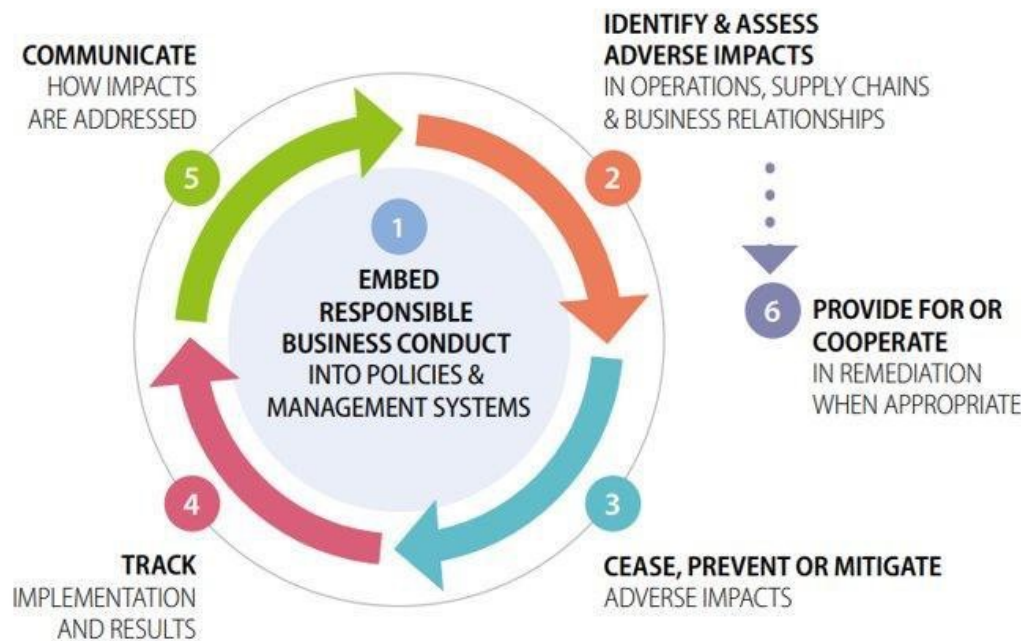


FIG 1. Summary of the UNGP approach for ensuring respect for human rights in the context of company operations. This approach includes company policies and management systems for responsible conduct (Step 1, elaborated in Section 3.1, below); a four-part due diligence process to manage for human rights across the entire company (Steps 2-5, elaborated in Sections 3.2.1 through 3.2.4, below); and a mechanism to provide for or cooperate in providing remediation when appropriate (Step 6, elaborated in Section 3.3, below). [Source: OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct]

Considering the myriad types of management systems that companies need to administer—for instance, those associated with their environmental and human rights performance, workplace health and safety, product and service quality, operational efficiency, and others—companies are encouraged to adopt an integrated approach for addressing all of these components within one streamlined **integrated management system (IMS)**. An IMS can help companies reduce duplication and improve efficiency by aligning or combining the analysis, documentation, and management of related issues. For example, an IMS that includes issues of environmental protection, land rights, workers’ rights, and agrochemicals might utilize a single coordinated risk assessment and documentation process that addresses key issues pertaining to land use and production systems. Under the umbrella of an IMS, subject-matter experts can provide additional specialized expertise on each topic as needed.

Resources on management systems for respecting human rights

- OHCHR Business and Human Rights Resource Center, *Guiding Principles on Business and Human Rights* (2011)
- Shift/Mazars, *UN Guiding Principles Reporting Framework*
- Shift, Oxfam and Global Compact Network Netherlands, *Doing business with respect for human rights: A guidance tool for companies* (2016)
- OECD, *Due diligence guidance for Responsible Business Conduct* (2018)
- The Danish Institute for Human Rights, *Human rights impact assessment toolbox* (2020)
- Palm Oil Collaboration Group, *Human Rights Due Diligence (HRDD) library of tools* (2021)

3.1 Policy commitments

Policy commitments to respect human rights should address workers' rights by:

- 1) Describing the set of workers' rights addressed by the policy commitment and how the company understands its responsibility to respect these rights
- 2) Establishing specific expectations and guidance for those who are required to implement or adhere to the policy, such as the company's own employees, contractors, and suppliers

The Accountability Framework's [Core Principles 2.1, 2.3](#), and [3](#) describe the key elements of a strong company commitment to respect workers' rights, and Section 2 of this Operational Guidance provides additional detail on each workers' right that should be included in policy

commitments. Companies should be sure to specify that their human rights commitments apply equally to all persons ([Core Principle 2.1.8](#)) and incorporate the goal of achieving gender equality.

While it is important that human rights commitments align with international norms and global best practice (e.g., as described in Section 2), companies' commitments should also elaborate on these global principles as needed to address workers' rights risks and challenges specific to their business and supply chain contexts. This can be done by engaging subject-matter experts, workers and their representatives, and other stakeholders in the process of developing policy commitments.

As specified in [Core Principle 4](#), human rights commitments should be fully adopted and institutionalized within a company, including by vesting accountability for the commitments in senior leadership (i.e., the CEO and/or Board) and by embedding them into the company's core decision-making processes (e.g., with procurement teams), systems, and performance metrics. For downstream companies, these commitments need to be implemented throughout their supply chain through effective supplier engagement strategies as detailed in [Core Principle 5](#) and [6](#).

3.2 Due diligence

Due diligence processes are widely recognized in voluntary frameworks (e.g., the UNGP, OECD Guidance) and increasingly recognized in regulatory mechanisms as a means to identify and address adverse impacts to human rights, including workers' rights.

Due diligence is a risk management process whose purpose is to identify, prevent, mitigate, track, and account for how a company addresses its impacts on human rights. The due diligence process is generally understood to include the following four sets of actions³⁴:

- 1) Identify and assess actual and potential negative impacts to human rights as a result of business activities and business relationships
- 2) Cease, prevent, and mitigate these adverse impacts
- 3) Track implementation and results of efforts to cease, prevent, and mitigate adverse impacts
- 4) Communicate about performance, including actions taken and their effectiveness and on-the-ground outcomes

³⁴ OECD, [Due diligence guidance for responsible business conduct](#), 2018

An effective due diligence process should be informed and supported at all four stages by systematic means to engage with stakeholders and affected persons, to help identify and address actual or potential human rights issues. Such means include:

- Stakeholder engagement, including engagement with workers and their representatives, NGOs, government, and company peers working in the same sourcing regions
- A company's grievance mechanism (see Section 3.4) to enable stakeholders and affected persons to raise concerns or complaints and seek their resolution
- Permanent mechanisms for ongoing engagement with workers (see box for more information)

For downstream companies, the due diligence process relies on meaningful and ongoing supplier engagement as part of a broader supplier management strategy. Such engagement should help to build trust with suppliers, to cascade buyer commitments up the supply chain, and to improve understanding of how the buyer's purchasing practices might affect supplier noncompliance.

To be most effective, the due diligence process should be integrated into all relevant parts of the company, such as business operations, legal, human resources, internal audits, procurement, supply chain management, and communications.

Worker engagement

Core Principle 2.3.3 calls on companies to create permanent mechanisms for engaging regularly and directly with all levels of workers and with labour organizations, unions, and other worker advocates such as human rights defenders and local NGOs.

To understand the challenges faced by workers in the company, as well as the company's level of performance in meeting its workers' rights obligations, formal channels for worker engagement should be created. Workers should be encouraged to participate in worker or worker-manager committees. Workers are a valuable resource in systems implementation and continuous improvement, as they understand daily challenges and tend to be resourceful in finding solutions. This type of engagement with workers also encourages and develops leadership skills, which can support career advancement. Consultations with local trade unions and local NGOs should be conducted regularly to obtain their views and knowledge about workers grievances and common challenges workers are facing.

For example, the Equitable Food Initiative (EFI), a fresh produce certification system, uses a "Leadership Team" model. When a farm decides to seek certification, the EFI facilitates the creation of a Leadership Team composed of 8-20 people including both management and workers and representing the gender and demographic balance of the farm's workforce. The Leadership Team is trained and provided with other technical support in order to effectively communicate with other workers and management personnel, gather data, and resolve conflicts as the farm builds its capacity to comply with the EFI standards.

Similarly, the SA8000 Standard requires the formation of a demographically representative Social Performance Team (SPT), composed of both workers and managers, and with the aim of enhancing worker-manager communication and participation of non-management personnel in compliance with the SA8000 Standard. The SPT does not take the place of a union, and where there is a union in place, a union representative typically participates. Worker representatives on the SPT are freely elected by their peers.

3.2.1 Identify and assess actual and potential adverse impacts

Due diligence starts with identifying actual and potential adverse impacts on people and their human rights. In the case of workers' rights, this means assessing how the company's own activities and those of its direct and indirect suppliers might pose risks to workers' rights and wellbeing. Companies should keep in mind that the most severe risks to workers' rights often lie multiple tiers up the supply chain. Risk assessment processes will vary according to the size and scale of the company, as well as the extent to which the company is involved directly in production or processing, purchases directly from producers or processors, or sits further downstream in the supply chain.

For downstream companies (i.e., buyers such as consumer goods manufacturers, retailers, and some traders), risk assessment requires identification of sourcing areas and suppliers that comprise the buyer's supply chain. A coarse-grained assessment at a national or sub-national (i.e., landscape or jurisdictional) level is often first conducted to identify where risks are most likely to be present. Indicators to help identify salient workers' rights risks might include: i) countries or areas where there is high corruption and weak governance, or where violations have been known to occur; ii) suppliers with a poor track record or limited experience in managing for workers' rights; iii) activities or labour practices commonly associated with negative workers' rights impacts, such as extensive outsourcing to subcontractors; and iv) workforce participation of vulnerable groups such as migrant workers, minority groups (including the disabled), children, or women. Risk assessment should also include stakeholder consultation, with particular attention given to the most vulnerable workers and different impacts experienced by women, migrants, and contract workers.

For upstream companies (i.e., producers and processors), risk and impact assessments should be carried out at the level of production and processing sites that the company directly manages, as well as those from whom the company purchases—for instance, when a processing mill purchases from local third-party suppliers or when a trader purchases commodity volumes from another trader. The supply base and worker populations are more easily identified by upstream companies, so risk assessment can include additional engagement with workers and other potentially impacted stakeholders. Workers who are often overlooked, but who may be amongst the most vulnerable, include those who are recruited via agencies or intermediaries; those who are working on site via contractors or service providers; and migrants, women workers, and young workers. Such vulnerability is increased if the workers are engaged through informal working arrangements or lack employment contracts, workers' benefits, social protection and/or workers' representation. They are therefore not likely to be registered, regulated, or protected by existing legal or regulatory frameworks. The assessment can also use specific workplace-level indicators, such as whether or not workplaces have functioning unions, grievance mechanisms, and reliable record-keeping on wage payments and other matters.

See the Accountability Framework's [Core Principle 5](#) and the [Operational Guidance on Supply Chain Management](#) for additional detail on expectations and best practice related to traceability and risk assessment.

Tools and resources for assessing risk of negative impacts on workers' rights

Risk profiles and indices

- Verite, [Commodity atlas](#)
- International Trade Union Confederation, [Global Rights Index 2020](#) (2020)
- Verite, [Trafficking risk in sub-Saharan African supply chains](#)
- UNICEF, [Children's rights and business atlas](#)
- Preferred by Nature, [Sourcing Hub](#)
- U.S. Department of Labor, [List of goods produced by child labor or forced labor](#)

General guidance on how to conduct risk assessments

- Verite, [Tool 03: Supply chain mapping and risk assessment in the food and beverage sector](#)
- Fair Labor Association, [Assessing forced labor risks in the palm oil sector in Indonesia and Malaysia](#) (2018)
- Social Responsibility Alliance, [Slavery and trafficking risk template](#)
- Danish Institute of Human Rights, [Human Rights Impact Assessment: Guidance and toolbox](#) (2020)
- Shift, Oxfam and Global Compact Network Netherlands, [Doing business with respect for human rights: A guidance tool for companies](#) (2016)

Guidance on risk assessment at supply-base level

- Rainforest Alliance, [Risk assessment and mitigation tool for child labour, forced labour, discrimination, and workplace violence and harassment](#) (2020)
- Verite, [Tool 06: Monitoring the performance of labour recruiters in food and beverage supply chains](#)

3.2.2 Cease, prevent, and mitigate adverse impacts

This subsection outlines how companies should take action to cease, prevent, and mitigate adverse impacts based on the nature of the impacts and the company's relationship to them.

Company relationship to the adverse impacts

After assessing risk, the company should take steps to address the identified risks or impacts.³⁵ The appropriate actions, and the degree to which the company is responsible for full resolution of the risk or impacts, depends on the company's relationship to these risks and impacts, as elaborated below and in Table 1.

- Where a company **caused** (or is at risk of causing) an adverse impact, it should stop the activities that are causing it and prevent or mitigate the reoccurrence of the impact. It should also provide for remediation of any actual impacts that occurred (see Section 3.3 for more information on remediation).
- Where a company **contributed to** (or is at risk of contributing to) an adverse impact through a business relationship, it should stop its contribution to this impact and then prevent or mitigate the contribution. It should also use or increase its leverage to make the party that is responsible for the adverse impact stop the activities causing the harm and prevent or mitigate the impact. Additionally, it should contribute to the remediation of the impact to the extent of its contribution.
- Where a company's operations, products, or services are directly **linked to** an adverse impact through a business relationship, it should use its leverage to seek to prevent the impact from continuing or recurring.

³⁵ OHCHR, [The corporate responsibility to respect human rights](#), 2012

TABLE 1. Definitions and examples of the three ways in which companies may be associated with actual or potential adverse impacts to human rights.

How the company is connected to the adverse impacts:			
	Causes	Contributes to	Linked to
Definition	When the company's action or omissions result in an adverse impact	When a company's actions or omissions facilitate or incentivise another entity to cause an adverse impact	When a company is linked through a business relationship to an enterprise that has caused or contributed to an adverse impact
Examples	Exposing workers to hazardous working conditions without adequate safety equipment	Changing buying requirements for suppliers without adjusting production deadlines and prices, pushing suppliers to breach labour standards in order to deliver	The cocoa in a brand's products is produced by child labour on smallholder farms, which supply to intermediaries and traders from whom the brand purchases cocoa

Taking Action

Section 2 of this Operational Guidance describes good practice for ceasing, preventing, and mitigating adverse impacts to each of the eight key workers' rights addressed in the Accountability Framework. Depending on the company's role in the supply chain (see Section 3.2.1) and its relationship to the adverse impacts, some of these actions may need to be instituted directly by the company itself, while others may be supported or facilitated through business relationships, purchasing contracts, direct investment, or other means.

In addition to actions taken to cease, prevent, and mitigate specific adverse impacts, companies should institute systems and practices to help ensure that negative impacts to all workers' rights are avoided across the company's entire set of operations, supply chains, and business relationships. These include:

- Comprehensive training programmes
- Worker handbooks that describe workers' rights and measures to safeguard them
- Supplier codes of conduct that are aligned with the company's commitments to respect workers' rights

- Company purchasing policies and practices, which should be specified so as not to put workers' rights at risk (e.g., by seeking or paying prices below the cost of production, requiring excessively short lead times, or delaying payment to suppliers)
- Incentives for suppliers to meet human rights-related goals and commitments, particularly where these go beyond minimum legal requirements (e.g., payment of a living wage)³⁶

To embed them across the company's entire business, these actions should be included in the company's management systems. See Section 3.4 for more information, including other examples of actions to prevent negative impacts to workers' rights.

Prioritization of action and implementation plans

Where a company is causing or contributing to an adverse impact, it should generally take immediate action to cease the activities that are causing or contributing the impact. However, in certain circumstances a phased approach may be warranted if it would be more protective for workers—for instance if immediate action would cause greater harm to the affected parties.

Prioritization of action and implementation plans

Where a company is causing or contributing to an adverse impact, it should generally take immediate action to cease the activities that are causing or contributing the impact. However, in certain circumstances a phased approach may be warranted if it would be more protective for workers—for instance if immediate action would cause greater harm to the affected parties.

When actions to prevent or mitigate adverse impacts are required but it is not possible to address all identified risks and impacts at once, the company should prioritize the order in which it takes actions based on the likelihood and the actual and potential severity of the adverse impacts, addressing the most significant ones first.³⁷ In such scenarios, the company should develop and implement time-bound plans that describe the actions to be taken to prevent future impacts and mitigate ongoing ones. These plans should describe the role of the company in taking actions directly and/or supporting or influencing suppliers or business partners to take action, in cases where the company contributed to or is linked to the adverse impact.

³⁶ One example of a structured mechanism to ensure respect for human rights while reasonably sharing the roles and responsibilities for doing so is the buyer/supplier code; for more information, see SAI, [Buyer-supplier mutual code of conduct](#)

³⁷ See Section 4.2 of the AFI [Operational Guidance on Supply Chain Management](#) for more information on the severity of impacts and the parameters used to determine it.

When developing implementation plans, **a root cause analysis** is a key tool for identifying the most effective ways to prevent a workers' rights abuse from occurring or recurring. A root cause analysis is a method of problem solving that goes beyond the first layer of a problem (e.g., workers consenting to long working hours) to identify the underlying cause(s) of this problem (e.g., workers being pressured to repay recruitment-related debt that was incurred as a result of unfair recruitment practices) and improving the system to prevent the problem from recurring.

The 5 whys

One simple technique for doing root cause analysis is the “5 Whys.” To use this technique, companies should consider the main problem and ask “why” five successive times in response to the issues that emerge. With each successive “why,” they will gain a deeper understanding of the underlying systemic factors that caused the problem.

3.2.3 Track implementation and results

Companies should conduct regular monitoring and independent verification (M&V) regarding the performance of their operations and supply chains in respecting workers' rights. M&V should be conducted at three levels:

- **Resolution of adverse impacts:** When plans have been developed and/or actions taken to cease, prevent, and mitigate specific sets of adverse impacts identified through the due diligence process, the company should monitor the implementation of such actions, progress toward fulfilling plans (including any time-bound milestones), and final resolution of the adverse impacts. This information should also be used to adjust responses as necessary to resolve impacts in the timeliest and most effective manner possible.
- **Company-wide systems and practices:** The company should monitor the implementation and effectiveness of its overall due diligence approach at the company, business unit, or supply chain level. This should include documentation and systems and practices in place to prevent, detect, and address human rights violations, including by monitoring and influencing practices of the company's suppliers and business partners.

- **Performance at a supply chain or company level:** M&V should track performance in respecting human rights across the company's operations and supply chains. This may include, for instance, proportion of commodity volumes that are sourced from suppliers or regions that are not verified to be low risk for specific workers' rights issues; incidence of workers' rights violations; and number, status, and resolution of grievances.

In addition to monitoring actions and progress toward full respect of workers' rights, M&V systems should also be designed to help identify risks or adverse impacts that may have been previously undetected or overlooked. In this way, M&V supports the overall due diligence approach by helping to identify additional issues that may need to be addressed.

Workers' rights violations are often challenging to identify, and it is therefore crucial that M&V is conducted by company personnel and/or external experts or auditors who have the core competencies necessary to perform such tasks. Organizations such as the Association of Professional Social Compliance Auditors (APSCA) help foster professionalism and quality control in auditing of workers' rights issues and may be used to identify and procure suitable M&V capacity.

See [Core Principle 11](#) and the [Operational Guidance on Monitoring and Verification](#) for additional guidance on monitoring and verification, including the design of monitoring systems and characteristics of credible verification.

3.2.4 Communicate how impacts are addressed

Transparency is critical for driving progress, supporting accountability, and recognizing achievements toward full respect for human rights. To this end, companies should publicly communicate information on their policy commitments, due diligence processes (including activities conducted to identify and address adverse impacts and the outcomes of those activities), and steps taken to remediate any harms.

While regular communications and reporting on human rights at the company level (e.g., in the company's sustainability report) are important to document a company's policies, systems, and practices at a macro level, these should be supplemented with other measures to foster dialogue and furnish more context-specific information on company responses to human rights issues, where necessary. Key stakeholder groups for such dialogue include workers and their representatives, NGOs, international trade union confederations, and local authorities.

The components of monitoring and verification noted above should provide a primary basis for accurate and credible communication on the measures being taken to ensure respect for human rights and the outcomes of these measures. Information should be communicated in a way that is understandable and accessible to workers and other stakeholders affected by the company's operations or supply chains. This may require publication on the company's website and in other formats, in both international and local languages.

Reporting and other communications should include:

- Documentation of policy commitments, targets, and milestones related to safeguarding workers' rights
- Description of the management systems and activities related to implementation of these commitments
- Company exposure to actual and potential human rights risks, and the prioritization of these risks based on severity
- Actions taken to prevent or mitigate risks and impacts
- Measures taken to monitor and verify implementation and results
- Progress towards addressing risks and impacts, as well as the resulting outcomes on the ground
- The provision of, or cooperation in, any remediation

Companies are encouraged to use existing human rights reporting frameworks (see box) to document and communicate their approach to ensuring respect for human rights in a thorough and systematic way. See also the Accountability Framework's Operational Guidance on Reporting, Disclosure, and Claims for additional best practice on effective reporting.

Reporting frameworks addressing human rights

Several existing reporting frameworks offer companies a structured way to report on human rights risks and measures being taken to address these risks in the company's operations and supply chain. These include:

- [UN Guiding Principles Reporting Framework](#)
- [GRI Sustainability Reporting Standards](#)
- [UN Global Compact, Communication on Progress](#)

3.3 Processes to enable remediation

In case of adverse impacts to workers' rights, companies are expected to provide for, or cooperate in providing, fair and just remedy for the impacts that they have caused or contributed to. Companies should also use their leverage to require, support, or incentivise their suppliers to remediate harms to which the company is linked by supply chain relationships.

Typical remedies could consist of:

- Restoration of the respect for rights that existed before the abuse
- Compensation for economic and non-economic loss (e.g., payment of back wages owed, with interest)
- Collaboration with state judicial and non-judicial systems to provide for remedy
- Satisfaction (e.g., official apologies and guarantee of non-repetition)

To facilitate timely and satisfactory remedy of workers' rights violations, an effective operational-level grievance mechanism should be established. This mechanism should be available to any person affected by business operations (including workers) and allow such affected or interested parties to make an inquiry, express a concern, or file a formal complaint. In addition to providing access to remedy, an effective mechanism should also enable problems to be addressed early before they escalate and help to identify patterns of abuse over time. The grievance mechanism should comply with the eight effectiveness criteria for grievance mechanisms included in the UN Guiding Principles on Business and Human Rights (Guiding Principle 31).

For additional detail on effective grievance mechanisms, see [Core Principle 9](#) and the [Operational Guidance on Remediation and Access to Remedy](#) (including its Annex 1, which summarizes the UNGP Effectiveness Criteria).

Tools and resources for grievance mechanisms and remediating workers' rights violations

- Proforest/FLA, *Guidance for child labour grievances* (2020)
- Proforest/FLA, *Guidance for forced labour grievances* (2020)
- Proforest/FLA, *Guidance for minimum wage grievances* (2020)
- Rainforest Alliance, *Annex 4: Remediation protocol* (2020)
- International Commission of Jurists, *Effective operational-level grievance mechanisms* (2019)
- Wilmar's *No exploitation protocol for third party suppliers* (2020) includes in its Table 2 a list of corrective actions, remediation measures, and group-level systemic change actions categorized by workers' right provision

3.4 Example of an integrated management system addressing workers' rights

This section provides an example of how a company could incorporate the elements described above regarding policy commitments, due diligence, and remediation into an integrated management system (IMS). This example includes several details that are specific to workers' rights, as well as elements that serve to integrate the management and monitoring of human rights issues together with other sustainability issues.

TABLE 2. Example of a company integrated management system (IMS) to address workers' rights alongside other sustainability issues.

IMS component	Description of the component	Examples of systems, procedures, and actions included in the component
Policy commitments	Company's policy on workers' rights Specific goals, expectations, and guidance for those who are required to implement or adhere to the policy, such as the company's own employees, contractors, and suppliers See Core Principles 2.1, 2.3 and 3 for additional detail on what policy commitments should include.	- Publicly available policy to respect workers' rights (this could be included in the Human Rights policy) - Time-bound targets and milestones for reaching goals and objectives - Implementation procedures that align with the company's policy commitments, and that define how to adhere to them and the consequences for violating them
Identification and assessment of risk	A system for understanding risks to human rights and the environment in company operations and supply chains and for prioritizing actions to address them See Core Principle 5 and the Operational Guidance on Supply Chain Management for additional detail on assessment of risk.	- Internal risk assessments focused on the company's own workers - Supply chain risk assessments, including supply chain map(s); for downstream companies, these assessments should focus on risks to workers' rights at the supply base level, not just at the level of first tier suppliers - Supplier-specific risk assessments through use of supplier questionnaires or other means - Mechanism for considering environmental and other risks identified in the company's operations and supply chains, as these are often linked to, or indicators of, risks to workers' rights

IMS component	Description of the component	Examples of systems, procedures, and actions included in the component
Worker engagement	A system for communicating workers' rights and expectations to company employees and other contracted workers	• Internal employee handbook and training plan on workers' rights policies and procedures • System for ongoing communication with workers • Incentives for complying with workers' rights policies • Integration of supplier performance into employee job descriptions and performance evaluations • Integration of the above outputs across the entire company
Supplier engagement & purchasing practices	A system for communicating workers' rights expectations to suppliers, and for considering respect for workers' rights as part of purchasing decisions See AFi Core Principle 6 and the Operational Guidance on Supply Chain Management for additional detail on supplier engagement.	• Sourcing procedures and supplier/ vendor code of conduct • Supplier handbook and training plan on workers' rights policies and procedures • Contracts with suppliers that require satisfactory performance related to workers' rights policies • Annual engagement plans for suppliers, including, among others, incentive schemes for suppliers to meet workers' rights requirements, technical assistance to improve supplier management systems, and financial assistance to upgrade operations • System to link sourcing decisions to risk assessment data, to ensure that the company sends integrated signals to suppliers, and to ensure that risks are mitigated prior to sourcing decisions • Integrated supplier scorecard that equally measures supplier performance on issues like quality, delivery time, human rights performance, and environmental performance

IMS component	Description of the component	Examples of systems, procedures, and actions included in the component
Mechanisms to monitor operations and supply chains	A system for assessing whether workers' rights are being respected and tracking implementation of policies and practices, including performance and outcomes in the company's own operations and in its supply chain Mechanisms for integrating monitoring of workers' rights policies and practices into core business management See Core Principle 11 and Operational Guidance on Monitoring and Verification.	• Key Performance Indicators (KPIs) for monitoring the company's own workers' rights performance and compliance with workers' rights related policies; inclusion of specific KPIs for gender equality • KPIs for monitoring supplier performance regarding workers' rights • Annual monitoring plan and supplier evaluation protocol • Documentation related to engaging social auditors, minimum competency requirements for auditors, training for internal auditors, contracts with third-party auditors, auditing protocols • Centralized/integrated tracking system for the continual improvement of suppliers
Grievance mechanism and remediation	A system for managing complaints and addressing grievances internally and with suppliers See the Operational Guidance on Remediation and Access to Remedy for more information.	• Procedures for receiving and addressing complaints from workers and other stakeholders • Procedures for addressing adverse impacts to workers' rights caused by the company or suppliers • Internal and supplier remediation guidelines
External stakeholder engagement & transparency	A system for identifying stakeholders and engaging them on issues related to workers' rights A system for publicly communicating the company's workers' rights policies and progress toward/compliance with these policies	• Stakeholder mapping • Stakeholder engagement plan • Use of external reporting standards or platforms • Integrated public reporting

IMS component	Description of the component	Examples of systems, procedures, and actions included in the component
Structure and operation of the IMS	A system for effectively managing the IMS	• Description of how the company's different management systems and implementation processes are related • Designation of a cross-functional, integrated management team • Annual business planning and objective setting that integrates all issues and allocates appropriate resources and responsibilities • Decision-making processes that integrate all issues

Additional resources on management systems

The following resources provide further information, best practice, and examples to support the development of workers' rights management systems and integrated management systems.

- Oxfam, *Checking up on labour rights: A basic assessment tool for the labour policies and practices of international companies* (2013)
- Social Accountability International/ICCO, *United Nations Guiding Principles on Business and Human Rights: A six-step approach to supply chain implementation* (2012)
- Verité, *Tool 08 – Protections against trafficking in persons: Worker engagement: Avenues and mechanisms for workplace communication, advocacy, and grievance management*
- IFC, *Environmental and social management system implementation handbook & toolkit* (2015)

1. Annex 1: ILO and UN conventions on workers' rights

The ILO Conventions (and several other UN conventions) related to workers' rights should serve as the foundation for company commitments to respect workers' rights and are the minimum reference point for what is considered in the Accountability Framework as internationally recognized human rights. Below is a list of some of the key Conventions and recommendations contained in these instruments, which are referenced throughout this guidance.

An asterisk (*) signifies an ILO Core Convention.

No child labour

ILO Minimum Age Convention 138* (and Recommendation 146) sets specific requirements related to minimum age for work, and also calls on countries to pursue a national policy designed to ensure the effective abolition of child labour and increase progressively the minimum age for admission to employment to a level that enables “the fullest physical and mental development of young persons.” In cases where the local minimum working age is higher than the age defined by international norms, the provision that is most protective of workers should be applied.

ILO Worst Forms of Child Labour Convention 182* (and Recommendation 190) recognizes that preventing the full range of child labour is a gradual process, and therefore makes eradication of the worst forms of child labour a matter of top urgency. The types of work that are considered worst forms of child labour are listed in this Convention.

No forced or compulsory labour

ILO Forced Labour Convention 29* provides that national governments should take all necessary measures to prevent and suppress the use of forced or compulsory labour.

ILO Protection of Wages Convention 95 provides that wages shall be paid regularly, and prohibits methods of payment that deprive workers of a genuine possibility of terminating their employment.

ILO Abolition of Forced Labour Convention 105* requires national governments to take all necessary measures to prevent and suppress the use of certain forms of forced or compulsory labour.

ILO Private Employment Agencies Convention 181 protects workers recruited by private employment agencies and stipulates that such agencies shall not “charge directly or indirectly, in whole or in part, any fees or costs to workers.”

Freedom of association and collective bargaining

ILO Freedom of Association and Protection of the Right to Organise Convention 87* states that national governments are to ensure key provisions regarding freedom of association for workers and employers, including their right to establish and join companies of their own choosing, and their right to draw rules and elect representatives in freedom.

ILO Right to Organise and Collective Bargaining Convention 98* protects workers “against acts of anti-union discrimination in respect of their employment.” The Convention provides that employment is not conditional on joining a union, and workers cannot be dismissed because of union activity. Interference with union activities is also prohibited.

ILO Workers’ Representatives Convention 135 protects workers’ representatives from unlawful dismissal based on their status or activities as workers’ representative, and requires that they be afforded the means to carry out their functions properly. The Convention also addresses the co-existence of non-trade union workers’ representatives and trade union representatives in the same workplace.

ILO Collective Bargaining Convention 154 provides the scope, definition, application, and promotion of collective bargaining rights. It includes parameters for national law to define and protect collective bargaining when non-trade union workers’ representatives are involved.

No discrimination

Multiple conventions address gender discrimination, including the ***ILO Equal Remuneration Convention 100**** (which aims to eliminate wage discrimination between men and women through implementation of the principle of equal pay for work of equal value) and the ***Discrimination Convention 111**** (which prohibits discrimination on the basis of gender in employment and occupation). Others include: ***UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)***; ***ILO Workers with Family Responsibilities Convention 156 (and Recommendation 165)***; ***ILO Maternity Protection Convention 183 (and Recommendation 191)***; ***ILO Migration for Employment Convention (Revised) 97***; and ***ILO Night Work (Women) Convention (Revised) 89***.

Conventions that address people with disabilities include the ***ILO Vocational Rehabilitation and Employment (Disabled Persons) Convention 159*** and the ***UN Convention on the Rights of Persons with Disabilities***.

No abusive practices or undue disciplinary procedures

The ILO does not have a specific convention addressing workplace disciplinary practices. However, three United Nations agreements establish the international normative basis for requirements on disciplinary practices: the ***Universal Declaration of Human Rights (1948)***; the

International Covenant on Civil and Political Rights (1966); and the Declaration on the Protection of All Persons from Being Subjected to Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1975).

Legal and decent working hours

Legal and decent working hours are addressed in the ***ILO Hours of Work (Industry) Convention 1*** and the ***ILO Reduction of Hours of Work Recommendation 116***.

Safe and healthy workplaces

ILO Occupational Safety and Health Convention 155 and its accompanying Recommendation 164 outline the requirements for national occupational safety and health policies and the progressive application of preventive measures. They also establish employers' responsibility to provide a safe and healthy work environment.

ILO Occupational Health Services Convention 161 and its accompanying Recommendation 171 call for government establishment of occupational health services responsible for advising employers, workers, and their representatives on maintaining a safe and healthy working environment through preventive measures. They emphasize the importance of clear responsibilities within a company, best use of company resources, and cooperation between employers and workers.

ILO Chemicals Convention 170 and its accompanying Recommendation 177 aim to protect workers against the safety and health and impacts of chemical use in the workplace.

ILO standards that deal with specific risks or groups of people include: ***ILO Occupational Cancer Convention 139*** and Recommendation 147; ***ILO Guarding of Machinery Convention 119*** and Recommendation 118; ***ILO Maximum Weight Convention 127*** and Recommendation 128; ***ILO Maternity Protection Convention (Revised) 183*** and Recommendation 191; and ***ILO Medical Examination of Young Persons (Industry) Convention 77***.

Living wages and fair benefits

ILO Minimum Wage Fixing Convention 131 specifies that the following two elements are taken into consideration by countries seeking to determine an appropriate legal minimum wage:

- The needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups
- Economic factors, including the requirements of economic development, levels of productivity, and the desirability of attaining and maintaining a high level of employment



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